

NATION'S BUSINESS

*Extra
Edition*



*June 5
1925*

**200 Bureaus, Boards and Commissions!
The Farmer Knows His Business
An Influence for the Country's Good
Private Ownership Is Necessary
Evasions in Foreign Trade Treaties**

Discussed by

HERBERT HOOVER
WILLIAM M. JARDINE
WILLIAM HOWARD TAFT
W. E. HUMPHREY
SAMUEL E. WINSLOW

ADMIRAL LEIGH PALMER
JOHN N. WILLYS
RICHARD F. GRANT
JOHN H. FAHEY
CHARLES NAGEL

*A Summarized Report of the Thirteenth Annual Meeting of
the Chamber of Commerce of the United States and
of the Accompanying Group Meetings*

Complete Table of Contents on page 5

Published at Washington by the Chamber of Commerce of the United States

THIS ISSUE MORE THAN 235,000 CIRCULATION

The Broadway Limited, famous Pennsylvania Railroad flyer, crossing the Rockville Bridge over the Susquehanna River. The Hamilton times this popular train. (Picture used by permission of the Pennsylvania Railroad.)



At left—the new Masterpiece design. Hamilton pocket watches may be had in yellow, white or green gold, 14k or filled, plain or engraved. Prices \$48 to \$250. You can choose from a wide variety of cases and dials.



Be as Sure of *Your* Time as the Railroad Conductor is of His

This accurate watch keeps America's crack trains on schedule.

"WHAT TIME HAVE YOU?" Ask this question of a group of business men. Out come their watches. One watch is three minutes slow, another five minutes fast, and so on. But ask this question of a group of railroad men. If there is any variation, it is usually only a matter of seconds.

Yet it is so very easy for every business and professional man to have a watch as unfailingly accurate as the railroad man's. When you buy a watch, get the make he uses. For thirty years there has been one watch that has been generally favored on America's railroads, a watch that has earned the unique distinction of being called "The Railroad Timekeeper of America."

This watch of accuracy fame is the Hamilton. It rides in cab and coach of such famous fliers as the



G. M. Stull, conductor of the Broadway Limited, has carried a Hamilton for 26 years.

Twentieth Century, the California Limited, the Broadway Limited, and the Olympian. When you buy a Hamilton, accuracy is assured.

The secret of Hamilton's accuracy is capacity to take infinite pains. With us every watch is an individual piece of

fine mechanism, tested and re-tested until final accuracy is obtained.

No Hamilton leaves our factory until it has proved itself worthy of the Hamilton name, and is ready to serve you as an accurate timekeeper. This insures the quality of the Hamilton Watch that you purchase and enables us to give a broad guarantee of satisfaction.

When you buy a Hamilton you can do so with the profound assurance that, with proper care, it will give you accurate time for years to come. A Hamilton Watch to suit your individual preference may be selected from a number of beautiful cases and dials. Some are



Above—the Hamilton Strap Watch for men. Square Model. A timepiece of remarkable convenience plus Hamilton accuracy. Green or white gold, 14k or gold filled. Leather strap and luminous dial. Prices \$55 and \$85.

At left—the new Tonneau model wrist watch for women. Hamilton Wrist Watches come in silk ribbon models, detachable bracelet models and strap models. Cases are plain or engraved in yellow, white or green gold, 14k and filled.

simple, graceful, and chaste. Some are beautifully engraved and ornamented. All have an intrinsic beauty that will keep them fashionable after years of service.

Ask your jeweler to show you a Hamilton today. He can show you Hamilton pocket and strap watches for men and charming wrist watches for women. Send for a copy of our new illustrated booklet, "The Timekeeper." Address Dept. 9-B1, Hamilton Watch Co., on the Lincoln Highway, Lancaster, Pa., U. S. A.

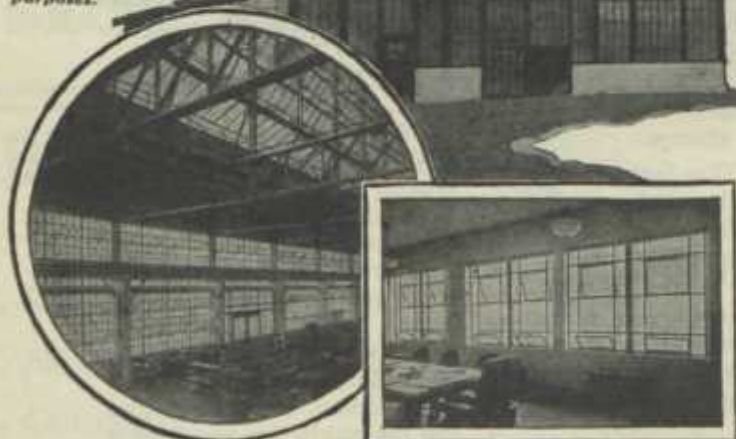
Your Special Building Problem

Can be Solved Economically by Truscon



Whatever your building need you will find that Truscon can aid you in attaining economy and permanence. Experience in over 100,000 structures enables us to understand building problems of every nature.

Complete Steel Buildings of many types and sizes for all industrial purposes.



Standard Pivoted, Continuous and Projected Steel Windows



Metal Lath for Ceilings and Partitions
Steel Joists for Fireproof Floors

Truscon organization, service and products completely cover the field of permanent building. A thoroughly modern plant covering 50 acres, warehouses in 20 strategic distributing centers, branch offices in 58 principal cities and dealers everywhere make Truscon high quality Permanent Building Products accessible to you wherever you are. And Truscon's skilled engineers cooperate to solve your building problem satisfactorily and economically. This service is free to you.

Truscon Permanent Building Products cover practically every known use for steel in construction, including Steel Windows, Doors, Frames, Lintels, Metal Lath, Steel Joists, Columns, Poles, Trusses, Reinforcing Steel, Highway Products and Steel Buildings. High quality, fire-safety and permanence are features of all Truscon Products. Their remarkably low cost comes from standardization and quantity production.

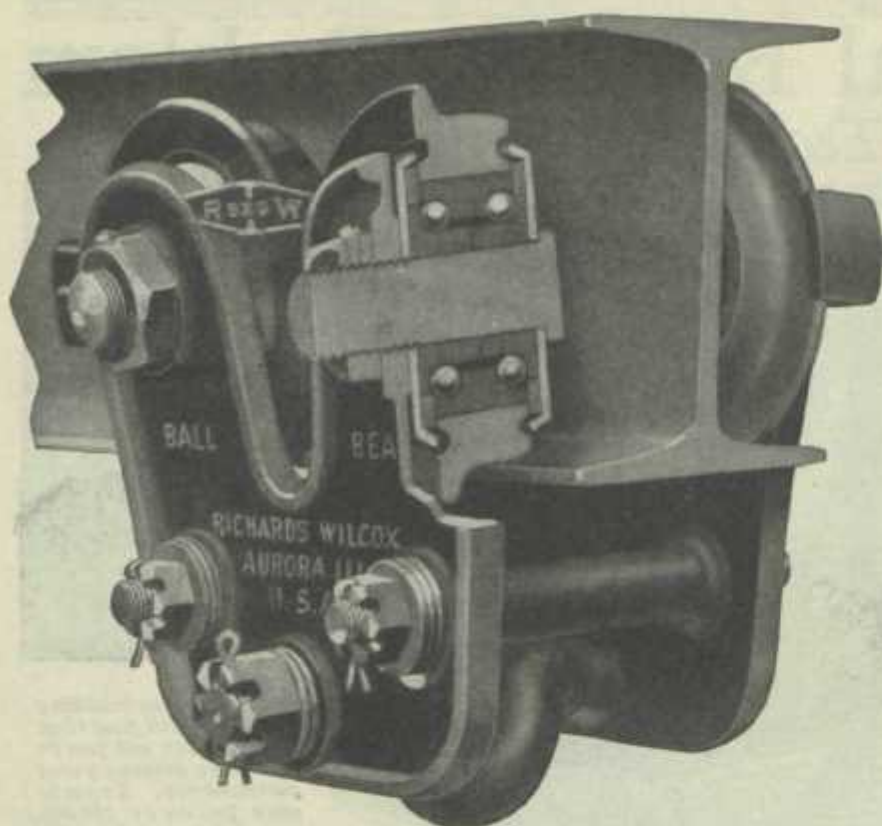
Write for Catalog and full information

TRUSCON STEEL COMPANY, Youngstown, Ohio

Warehouses and Sales Offices in Principal Cities
Foreign Divisions: New York, Canada: Walkerville, Ont.

TRUSCON

PRODUCTS for
PERMANENT BUILDINGS



**Ralph W. Taylor, President,
Jamestown Table Co., Jamestown,
N. Y., says —**

"Factory profits, in our opinion, come from stopping waste in every form. Turning wasted hours into dollars is one of the surest ways to make money, because labor is a constant cost in every business.

"For unloading our crates of supplies and materials, we formerly hired strong, heavy men, and powerful men draw higher pay than the average.

"Two years ago we put in a Richards-Wilcox OverR-Way System with No. 925 Ball Bearing Trolleys at our shipping door, with switches to the shipping department and stockroom. Now young men, 20% less expensive per hour, handle shipments in 50% of the time formerly required by the heavier men.

"Heavy cases of glass, for instance, weighing 2000 pounds, are easily unloaded, and shifted without breakage direct to open spaces on the store-room floor. Other crates need not be shifted to make way for incoming or outgoing loads—we utilize the overhead space and raise or lower goods easily and quickly.

"The OverR-Way does away with the danger of strains and injuries that every manager fears, not only because the loss has to be paid by his company, but because he hates to see his men exposed to accidents that can be avoided.

"If we used the trolley continuously it would pay for itself ten times over annually, for in one hour a day its saving of 60% in handling cost pays for its first cost every year."

**Here's a Statement
You Can Prove
Without Cost**

We do not believe, *we know* that R-W No. 925 Ball-Bearing I-Beam Trolley will give you a service that cannot be duplicated anywhere, by anyone. *We know* that it will demonstrate its superiorities under actual working conditions. Knowing these things to be true, we gladly send this trolley for a FREE trial to any reputable manufacturer. If it fails to give you the satisfaction you think it should, send it back at our expense. This offer is far stronger than any claims we can make. R-W No. 925 is made in seven capacities— $\frac{1}{4}$ to 4 tons. Ask for this FREE trial.

Richards-Wilcox Mfg. Co.
"A Hanger for any Door that Slides."

AURORA, ILLINOIS, U.S.A.

New York Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans
Chicago Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit
Montreal - RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. - Winnipeg



"As Necessary As Our Telephones"

International Harvester Co.-Chicago

as Low as \$37.50 f.o.b. Chicago

Just Let FREE trial Prove It

8 Distinct Uses

1. Selling.
2. Records.
3. Shipping Forms.
4. Collections.
5. Pay Roll and Dividend Forms.
6. Routing Forms.
7. Straight Addressing.
8. Identification Tags.

Used for All Office and Factory Forms.

"We use Addressographs in all Branches and factories for recording, shipping, pay roll work, dividend forms and addressing of every nature. Addressograph advantages are as necessary to us as our telephone."—*International Harvester Co., Chicago.*

Saves Wrigley 92 Girls.

"Work produced by our Automatic Feed Addressograph cut our mailing department from 100 to 8 girls, turning out same quantity of work most satisfactorily."—*Wm. Wrigley, Jr., Chicago.*

Will you try it FREE?

No matter how skeptical you may be, you owe it to yourself to find out why thousands of firms accepted our 100% FREE TRIAL OFFER last year—and why hundreds more are using FREE TRIAL Addressographs while you are reading this! Just Mail Coupon—

MAIL
WITH
YOUR LET-
TERHEAD

To Addressograph Co.
909 W. Van Buren St., Chicago

☐ Send FREE book "Does Your Advertising Pay?"

☐ Send PREPAID FREE trial Hand Machine. Will return COLLECT unless we buy.

116-Spec-25

Addressograph

TRADE MARK

PRINTS FROM TYPE

909 W. Van Buren
Street, Chicago

Factories: Chicago,
Brooklyn, London

When writing to ADDRESSOGRAPH COMPANY please mention Nation's Business



*The Vine-clad Homes
of Kohler*

Beautiful amid their vines and flowers, the homes of Kohler Village are as noteworthy as the quality of Kohler products—enameled plumbing ware and private electric plants.

YOUR architect, it is safe to say, holds Kohler Enameled Plumbing Ware in special esteem. He has learned to rely implicitly upon the integrity of Kohler quality—a quality shared alike by all Kohler fixtures; identified by the name “Kohler” unobtrusively fused into superb, immaculately white enamel. This ware is apt to be his own preference for a fine residence, an exclusive apartment building, or a great hotel, factory, or office building. Ask him to specify Kohler Ware for you. It will cost you no more.

Kohler Co., Founded 1873, Kohler, Wis. • Shipping Point, Sheboygan, Wis.
BRANCHES IN PRINCIPAL CITIES

KOHLER of KOHLER

Enameled Plumbing Ware

In This Number

For the fourth time NATION'S BUSINESS devotes an extra issue to an account of the Annual Meeting of the Chamber of Commerce of the United States, held this year in Washington on May 19, 20, 21 and 22 and marked by the formal dedication of the Chamber's new building.

These subjects engaged the attention of the meeting:

**The Federal Trade Commission
Commercial Treaty Policy
Government and Industry
Agriculture
The Merchant Marine**

These were discussed by a notable group of leaders in American business and public affairs. What follows is the contribution of NATION'S BUSINESS to that meeting, a record of the more important things that took place. We have not sought to give a stenographic report of the sessions; we have not undertaken even to print in full all the addresses; we have tried to give the best of each of them.

Of the group meetings with their dozens of papers of importance and debates of importance, we have given summaries, sufficient, we hope, to arouse in our readers a demand for further information.

	PAGE
PROUD OF THE PAST—"EYES FORWARD!"... By ELMER MURPHY.....	7
200 BUREAUS, BOARDS AND COMMISSIONS!... By HERBERT HOOVER.....	9
THE FARMER KNOWS HIS BUSINESS..... By WILLIAM M. JARDINE.....	11
AN INFLUENCE FOR THE COUNTRY'S GOOD... By WILLIAM HOWARD TAFT... 11	
PRIVATE OWNERSHIP IS NECESSARY..... By ADMIRAL LEIGH C. PALMER 12	
EVASIONS IN FOREIGN TRADE TREATIES..... By JOHN N. WILLYS.....	13
PUT ALL THE CARDS ON THE TABLE..... By RICHARD F. GRANT.....	14
IT'S CONDUCT, NOT WORDS, THAT COUNTS.. By CHARLES NAGEL.....	16
EVIDENCE, NOT SUSPICION, TO GOVERN..... By W. E. HUMPHREY.....	17
AMERICA'S JOB ACROSS THE WATER..... By JOHN H. FAHEY.....	18
CONGRESS, A DEFENSE FROM THE INSIDE... By SAMUEL E. WINSLOW....	20
OUR BUSINESS AND WORLD AFFAIRS.....	21
WHAT ABOUT BUSINESS IN THE WEST?... By CARL R. GRAY.....	22

GROUP MEETINGS SUMMARIZED:

Farm, Forest and Coal Mine (Natural Resources Production).....	23
Getting the Most Out of Building (Civic Development).....	24
The Federal Reserve and Business (Finance).....	24
The Merchant Marine Conference (Transportation and Communication).....	25
The Human Factor in Production (Manufacture).....	26
Foreign Competition (Foreign Commerce).....	27
The Policyholders' Share (Insurance).....	28
Get the Facts on Distribution (Distribution).....	34
Resolutions of the Meeting.....	40

SUMMER SCHOOL FOR SECRETARIES.....	46
------------------------------------	----

A limited number of additional copies of this issue of NATION'S BUSINESS (Thirteenth Annual Meeting Report) may be secured at the actual cost price of 10c each.

Vol. 13

No. 7

NATION'S BUSINESS

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

Managing Editor
WARREN BISHOP

MERLE THORPE, Editor and Publisher

Business Manager
J. B. WICKOFF

Director of Advertising
VICTOR WHITLOCK

Eastern Office, New York
Woolworth Bldg.
GEORGE K. MYERS
B. L. G. REES

GENERAL OFFICES: WASHINGTON, D. C.
Central Office, Chicago
Our Bldg.
FRANK M. CROMMELIN

Cleveland Office
Keith Bldg.
CLYDE A. STYERS
JAMES M. THORNTON

SUBSCRIPTION RATES: Three years for \$7.50 (full term); one year for \$3.00 (part term); single copies, 25 cents.

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

MASS PRODUCTION and DISTRIBUTION

Uppermost business topic of the day



THE WAY OUT

by Edward A. Filene

Contains the answer to America's biggest problem—one affecting every business and individual in our country.

It clearly points out—

How mass production and mass distribution is affecting every business no matter what kind or size.

What the retailer faces in the new scheme of distribution.

How to meet the coming tooth and claw competition.

What is meant by a Fordized America.

How capital and labor can pull together successfully.

Why decentralized industry will aid social progress.

When wages become counterfeit.

Why Big Business is the best way out.

Basic changes are taking place now

Modern business is facing a set of conditions for which there is no parallel. The very foundations of our production and distribution systems are undergoing important changes.

Edward A. Filene, the noted Boston merchant, in his remarkable book, clearly analyzes these changes and indicates the way out.

Business men, labor leaders, bankers—every one interested in the way America is going, will profit by reading this useful book—a real inspiration in your work.

Send for new popular edition

Use the coupon or get your copy at any book store for \$1.50.

DOUBLEDAY, PAGE & CO.

Garden City, N. Y.

Doubleday, Page & Co.
Garden City, N. Y.

Please send me a copy of Edward A. Filene's new book, "The Way Out." If my remittance does not accompany this order I will pay the postman \$1.50 (\$1.50 for cost of book plus 10 cents for delivery charges).

Name.....

Street.....

City.....State.....

CHAMBER of COMMERCE of the United States of America

U. S. Chamber of Commerce Building



Washington, D. C.

OFFICERS

1925-1926

PRESIDENT: John W. O'Leary
Vice President, Chicago Trust Company
Chicago, Ill.

SENIOR COUNCIL:

Harry A. Wheeler, *President*, Union Trust Company, Chicago, Ill.
Homer L. Ferguson, *President*, Newport News Shipbuilding and Dry Dock Company, Newport News, Va.
Joseph H. Defrees, *Defrees*, Buckingham and Eaton, Chicago, Ill.
Julius H. Barnes, *President*, Barnes-Ames Company, New York, N. Y.
Richard F. Grant, *Vice President*, The M. A. Hanna Company, Cleveland, Ohio.

HONORARY VICE PRESIDENTS:

Roland W. Boyden, *Member of Ropes*, Gray, Boyden & Perkins, Boston, Mass.
Henry M. Robinson, *President*, First National Bank, Los Angeles, Calif.
Owen D. Young, *Chairman of Board*, General Electric Company, New York, N. Y.

VICE PRESIDENTS

Lewis E. Pierson, *Chairman of Board*, Irving Bank-Columbia Trust Co., New York, N. Y.
William Butterworth, *President*, Deere & Company, Moline, Ill.

Robert R. Ellis, *President*, The Hessig-Ellis Drug Company, Memphis, Tenn.
Paul Shoup, *Vice President*, Southern Pacific Railway Co., San Francisco, Calif.

TREASURER: John Joy Edson, *Chairman of Board*, Washington Loan & Trust Co., Washington, D. C.

RESIDENT VICE PRESIDENT: Elliot H. Goodwin, U. S. Chamber of Commerce Building, Washington, D. C.

SECRETARY: D. A. Skinner, U. S. Chamber of Commerce Building, Washington, D. C.

DIRECTORS

John W. Arrington, *President*, Union Bleachery, Greenville, S. C.

Max W. Babb, *Vice President*, Allis-Chalmers Manufacturing Co., Milwaukee, Wis.

Arthur S. Bent, *Bent Bros.*, General Contractors, Los Angeles, Calif.

A. J. Brosseau, *President*, Mack Trucks, Inc., New York, N. Y.

Stanley H. Bullard, *Vice President*, Bullard Machine-Tool Works, Bridgeport, Conn.

O. M. Clark, *President*, Clark-Wilson Lumber Co., Portland, Oreg.

J. D. Collett, *Bryco Building*, Fort Worth, Texas.

John M. Crawford, *President*, Parkersburg Rig and Reel Co., Parkersburg, W. Va.

William J. Dean, *President*, Nicols, Dean & Gregg, St. Paul, Minn.

Robert R. Ellis, *President*, The Hessig-Ellis Drug Co., Memphis, Tenn.

P. H. Gadsden, *Vice President*, United Gas Improvement Co., Philadelphia, Pa.

Carl R. Gray, *President*, Union Pacific System, Omaha, Nebr.

Everett G. Griggs, *President*, St. Paul & Tacoma Lumber Co., Tacoma, Wash.

Lafayette Hanchett, *President*, Utah Power and Light Co., Salt Lake City, Utah.

Frederick J. Haynes, *President*, Dodge Bros. Inc., Detroit, Michigan.

Dwight B. Heard, *President*, Dwight B. Heard Investment Co., Phoenix, Ariz.

A. L. Humphrey, *President*, Westinghouse Air Brake Co., Pittsburgh, Pa.

Frank Kell, *President*, Wichita Mill and Elevator Co., Wichita Falls, Texas.

James S. Kemper, *President*, Lumbermens Mutual Casualty Co., Pantheon Building, Chicago, Ill.

J. G. Leigh, *L. B. Leigh & Co.*, Little Rock, Ark.

Charles W. Lonsdale, *President*, Simonds-Shields-Lonsdale Grain Co., Kansas City, Mo.

John G. Lonsdale, *President*, The National Bank of Commerce in St. Louis, St. Louis, Mo.

Milton E. Marcuse, *President*, Bedford Pulp and Paper Co., Richmond, Va.

Edwin T. Meredith, *Publisher*, The Meredith Publications, Des Moines, Iowa.

R. T. Moore, *Chairman of the Board*, Commercial National Bank, Shreveport, La.

Felix M. McWhirter, *President*, Peoples State Bank, Indianapolis, Ind.

James P. Orr, *President*, The Potter Shoe Company, Cincinnati, Ohio.

M. J. Sanders, *Leland Lines*, New Orleans, La.

Henry D. Sharpe, *President*, Brown & Sharpe Mfg. Co., Providence, Rhode Island.

John W. Shartel, *President*, Oklahoma Railway Co., Oklahoma City, Okla.

Paul Shoup, *Vice President*, Southern Pacific Railway Co., San Francisco, Calif.

Alvan T. Simonds, *President*, Simonds Saw and Steel Co., Fitchburg, Mass.

Harry A. Smith, *President*, National Fire Insurance Co., Hartford, Conn.

Ernest T. Trigg, *President*, John Lucas & Co., Philadelphia, Pa.

Proud of the Past—"Eyes Forward!"

The Future Was the Dominant Note of the Dedication Convention of the Chamber of Commerce

By ELMER MURPHY

THERE is a point at which the habit of doing things becomes so constant, so widespread and so methodical that it ceases to be a habit and becomes an institution. As an institution it would be defined by Noah Webster as "a characteristic and persistent feature in social or national life."

This dividing line in its existence was crossed by the Chamber of Commerce of the United States at its Thirteenth Annual Meeting, held in Washington, May 19 to May 22.

To mark the crossing more than two thousand delegates paused for a moment in their consideration of current economic problems and with their guests—among whom were the Chief Justice of the United States, William Howard Taft, Charles Nagel, Secretary of Commerce and Labor in President Taft's Cabinet, and many distinguished officials of the present administration—to dedicate the

magnificent building which is the expression, in steel and stone, of the institutional ideal and to take note of the thirteen years of growth and progress that paved the way for its fulfillment.

It was a moment for wholesome introspection. The members not only took stock of the achievement of their organization, but of the responsibilities which the attainment of this estate implies.

For Good of the Country

BOTH were summarized by Chief Justice Taft, who, in historical and prophetic vein, said to those who had guided its destinies: "With small beginnings, under the initiation and approval of Mr. Charles Nagel, then the Secretary of Commerce and Labor, you have builded a center of influence that has made, and will continue to make, for the great good of the country.

"You have united together, in a common

and effective purpose, the great body of intelligent and active business men of the United States, and you have furnished for the people of this country an instrument for the effective organization of public opinion that is and will continue to be of the highest benefit."

Coming from one who, as President and as presiding Justice of the highest tribunal of the country, can, in the perspective of long experience in public affairs, measure accurately the value of national institutions, this might have been taken as ample justification for self-congratulation. In thirteen years American business men had built up a central organization, an economic clearing house, more imposing and influential than similar older European institutions with centuries of tradition back of them. And credit for the achievement was brought home to them individually by Harry A. Wheeler, of Chicago, its first president, whose own conspicuous



The home of American business as it appeared on the evening of its dedication.

part in the enterprise was formally recognized by the Chamber itself.

But it was rather significant that these business men gave much less heed to what had been accomplished than to the tasks that lie ahead of the National Chamber. Through all of the sessions ran a noticeable current of grave deliberation, probably as characteristic of the maturity of institutions as of individuals, underlying which was a sense of the responsibility involved not only in the relationship of business to the welfare of the nation at large, but in the relationship of business to the activities of those of whom it is constituted.

This note was sounded by the former Secretary of Commerce and Labor, Charles Nagel, at whose suggestion the Chamber of Commerce came into being.

"This organization," he said, "is interested in knowing what legislation is put upon the books. It is interested in preventing, at times, in amending, at others, in helping to shape and formulate. But it is, in my judgment, more interested in helping to mold a rule of conduct that will not invite any legislation."

The Chamber's Great Problem

"THE Chamber of Commerce," he added, "has one of the great problems before it in that it ought to seek to interpret and to impress upon its membership, and upon those outside of its membership, rules of conduct which will invite satisfaction and which will repel, of themselves, every attempt to regulate."

The same idea was expressed, perhaps with greater emphasis, by Richard F. Grant, the retiring president, who expressed the hope that "The Chamber of Commerce will continue its process of education, first, of American business to govern itself; second, of the American public to understand the complexity of the problems surrounding American business and to make clear to that public the underlying economic facts which govern all eras of civilization."

Time will determine the full significance of these prophecies, whether or not the crossing of the threshold of this new phase of its existence is to mark the beginning of a movement having for its objective the substitution of self-regulation for government regulation. In the varied discussions at the general and group sessions this purpose was foreshadowed in many ways—in relation to shipping and domestic transportation, to natural resources, to marketing and the larger problems of national policy.

Taken as a whole the Thirteenth Annual Meeting affords a broad basis for the conclusion that in the decades immediately ahead of it business will be more concerned with the solution of its own problems from within than with the efforts to solve them from without.

As a natural consequence of having established itself upon a permanent basis, exemplified in the dedication of its own home at the National Capital, business gave its attention, for the most part, to orienting itself with relation not only to domestic institutions and policies with which it is immediately concerned, but with the larger problems of the world appearing in sharper outline against the background of quickening international trade.

It recognized frankly that neither from the international nor from the national viewpoint can it isolate itself, and that the more closely the world is knitted together and the more inextricably the economic fortunes of the United States are tied up with general prosperity, the more pressing become the

obligations of American business to put itself on a firm footing and to give a hand to steadying business in other countries even now emerging from the shadow of war.

"It is essential," said President Grant, "that not only our own Government, but European governments as well, should have the benefit of clear, thought-out advice and counsel of American business in their problems. And it is as important that the public generally should have a clear understanding of its interests and the facts involved as every step is taken. This is one of the jobs of the Chamber of Commerce of the United States and for every member of every chamber of commerce and every trade association, for these are directly affected by our European trade policies."

In accordance with this idea, John H. Fahey, speaking at one of the general sessions, advocated American adherence to the World Court and discussed the adoption of "unconditional most-favored-nation" treatment as a principle of American foreign commercial policy. But more significant than this was his appeal to the individual delegates to give closer attention to the scrutiny of international economic problems and their own obligations in respect of them. A measure of the importance of the national foreign economic policy to the business man was afforded by John Willys, who pointed out that American business, more than ever before, depends upon access to foreign markets which are still hedged about with embargoes, preferential tariffs and other obstacles in large part the heritage of the war.

In the consideration of its own responsibilities the Chamber naturally weighed the responsibilities and the difficulties of the government agencies with which it comes in contact. The Secretary of Commerce, Herbert Hoover, pointed out, rather as a business man than as a public official, the defects arising from faulty organization of the Government's administrative agencies, by way of accounting, in some degree, for the tendency toward centralization of authority and over-regulation. And here again was stress laid upon private responsibility, the dominant note of the entire meeting.

The Philosophic Solution

"EVERY well-balanced citizen," he said, "knows of something in this world that ought to be regulated. Every agency of the Federal Government knows this also, but the difference is that every government agency is under constant pressure, or sometimes is anxious, to expand its powers further than was originally contemplated. . . . The border line around proper extension of federal authority is not theoretical. It permits of no philosophic solution. It must be handled problem by problem, with always an extreme leaning to local and private responsibility. . . . The waste from bad organization is not to be measured in loss of dollars of congressional appropriations alone. That is bad enough, but still larger is the indirect loss in the unnecessary costs they impose on the citizen."

Other aspects of this same responsibility of business were disclosed by the Secretary of Agriculture, William M. Jardine, who put the burden of agricultural readjustment upon the farmer and the business man working in cooperation; by Admiral Leigh C. Palmer, president of the Emergency Fleet Corporation, who appealed to the business interests for constructive recommendations looking to the building up of a permanent, privately operated merchant marine, and W. E. Humphrey, Federal Trade Commissioner, who

asked their cooperation in the suppression of trade evils.

In line with this purpose delegates set themselves to the task of weighing the important economic problems which confront business at the moment and involve at the same time the national well-being. They concerned themselves chiefly not with what ought to be done but with what they themselves ought to do in the way of providing solutions.

An appraisal of the merits of the Federal Reserve System with a view to perfecting it in the light of ten years of experience was undertaken at a finance group meeting. Building and housing occupied the attention of the civic development group. Measures for promoting the efficiency of labor to offset the disadvantages arising from the dwindling labor supply as a result of immigration restriction were considered by the manufacturing group.

Conservation of Resources

CONSERVATION of natural resources by the industries dependent upon them, by the adoption of rules of conduct and the elimination of wasteful practices, absorbed the attention of a large number of delegates whose activities fall within this field, and at the same time practical methods of cooperating with agriculture were discussed.

In conformity with the idea that self-regulation is an obligation of business, another group meeting was devoted to the consideration of distribution, the elaborate system by which products of the factory and farm are transferred from the producer to the consumer, with a view to the simplification of these processes and the reduction, if possible, of costs which must be borne by the consuming public.

The transportation group occupied itself principally with the problem of the upbuilding of a permanent merchant marine which it construed principally as one for the consideration of the interests vitally concerned in shipping and familiar with the difficulties that will be encountered in reestablishing the American flag on the high seas.

A close scrutiny of the competitive conditions that will be met with in the expansion of foreign trade, in Europe and the Near East, in the Far East and Australia, and in Latin America was made by another group.

All of these questions touch at one point or another upon the interests of every productive activity. Nevertheless the wide range of discussion only serves to accentuate the rather striking single fact that American business is largely one-minded in recognizing a common obligation and responsibility. If it echoed the hope that it would be let alone to shoulder its tasks, it at the same time made clearer, possibly, than ever before its determination to do the tasks and in many cases entered upon the performance of them.

It reflected not merely a desire to escape regulation to avoid the trouble that inevitably arises from ill-considered regulation. In some cases it advocated regulation for its own protection. And it also demonstrated unquestionably its intention to undertake the regulation of conditions which none but business itself can control and to set up standards of practice which are of themselves a guaranty of integrity and honesty of purpose.

The Thirteenth Annual Meeting, therefore, is not alone significant as the capstone of an unusual achievement in building up an organization which is destined to play an important part in public affairs, but as setting forth an objective, the attainment of which lies with the years to come.

200 Bureaus, Boards and Commissions!

*The Administrative Branch of the Government Needs Complete Overhauling.
As Important as Civil Service Reform and the Budget*

By HERBERT HOOVER

Secretary of Commerce



HERBERT HOOVER
Herbert Hoover

OVER MANY years our people have been striving to better the federal administration. We have succeeded in two major steps; we still have a third equally important and perhaps more difficult one to accomplish. The first was the establishment of government

employment based upon merit. The second was the establishment of adequate control of appropriations through the budget system. There still remains the third and even greater but more obscure waste—that of faulty organization of administrative functions. And the two first steps will never reach the full realization without the third.

Not Reaching Larger Waste

IN RECENT years we have been successfully slashing federal expenditures by the elimination of extravagances and unnecessary personnel. But for lack of legislative authority we have not been able to reach into what I believe is an even larger waste and larger drain on the taxpayer than even extravagance and the inflation of payrolls—the waste which arises from the swamp of bad organization.

When our forefathers conceived the great plan of our government they conceived that legislation required the meeting of scores of minds of equal authority, and that judicial decision likewise required the meeting of many minds through appeals and final decision by a whole bench of judges; but they were no less emphatic that administration must be in single-headed responsibility.

When Hamilton laid out the scheme of executive departments he placed the different functions of administration as nearly as might be into groups of the same general major purpose under single-headed responsibility. But ever since his time we have been busy dividing responsibility by scattering services directed to substantially the same major purpose over many different executive departments and bureaus. Our governmental machinery has just grown. Whenever a new activity has been authorized or a new bureau created it has been thrown wherever it happened to be most convenient at the moment or wherever its sponsors thought it would have the most friendly treatment, without any thought of a sound basis of organization, and we have shunted along misfit after misfit from one generation to another.

On the executive side of the Federal Government we have grown to have more than 200 different bureaus, boards and commissions employing several hundred thousand people. For the most part they have been thrown hodge podge into ten different executive departments, under Cabinet officers. But there are more than forty independent estab-

lishments either directly under the President or directly under Congress.

As these 200 bureaus and agencies are now grouped and organized there are two primary streams of confusion and waste. There is a confusion of basic principles; there is a grouping of federal bureaus which divides responsibility. There consequently arises a lack of definite national policies and direct wastes arise from overlap and conflict; indirectly large costs are imposed upon citizens by this scattering of functions and by the undue complexity of laws and regulations. There are too many floating islands in this dismal swamp of independent agencies, only technically anchored to the President, but really responsible to nobody—and with all this division of authority multiplies the urge for expansion of federal activities in every direction.

There is not a single successful business organization in the country that confuses such functions the way we do in government.

The Shipping Board—to cite a glaring case—was originally created as a body to regulate rates and abolish discrimination in ocean-going traffic. These are semi-judicial functions that quite properly were entrusted to a board. Political jealousies and sectional jealousies, however, required a bipartisan body selected from different parts of the country, although it was to perform an expert judicial function.

Then this structure was suddenly loaded with the most difficult of administrative jobs—the actual construction and operation of the greatest single merchant fleet in history. The losses and waste which have resulted from this blunder of assigning executive and administrative functions to the joint and equal minds of a wrongly constructed semi-judicial body have amounted to perhaps a few hundred millions out of the three billion we have lost on shipping, but beyond this the impossibility of continuous policies has worked great losses upon our privately owned merchant marine.

Other Breeds of Confusion

THERE are other breeds of this same sort of confusion between individual and joint responsibility. The Federal Board for Vocational Education, the Federal Power Commission and other agencies likewise are mixed functions.

Every single department, bureau and board in the entire Government should be placed upon the operating table and a cleancut separation established between semi-judicial and semi-legislative functions on the one hand, and administration on the other.

Our other greatest weakness in organization is the division of authority over services directed to the same major purpose by scattering them through unrelated groups.

To illustrate my point, I have made a partial collection of misfits and in so doing I have taken no account of either incidental functions or semi-legislative or semi-judicial agencies except so far as they have administrative functions.

It is not necessary that each of these

groups should become a whole executive department, each under a Cabinet officer; but it is entirely feasible to place each of them under the supervision of a special assistant secretary, and if we were truly intelligent we would class him as an expert and outside selection on political grounds. It is entirely secondary what department these groups are in. The big thing is to bring these kindred agencies together under one authority so that their overlapping edges can be clipped and their fights stopped.

	Number of bureaus or agencies	Number of de- partments or independent agencies in which they are located
Public Works Construction	14	9
Conservation of National Resources	8	5
Direct Aids to Industry	5	2
Direct Aids to Merchant Marine	14	6
Direct Aids to Education	6	3
Direct Aids to Veterans	4	4
Government of Territories and Dependencies	4	3
Public Health	4	2
Purchase of \$250,000,000 of supplies annually		In every bureau of the Government

Constant Conflict of View

THE divided responsibility with absence of centralized authority prevents the constructive and consistent development of broad national policies, for there is by necessity of this division constant conflict of view within the Government itself. Under the present system we have different bureau policies, department policies, board policies, and commission policies. The recent occurrences in oil leases are a fair example of what may happen by the lack of single-headed responsibility in such matters. No policy of real guardianship of our reserve resources will exist until we put all conservation business in the hands of an Under-Secretary for Conservation, with the spotlight of public opinion continuously focused upon him.

The same is true of our deplorable lack of a definite and organized merchant marine policy—a thing which has caused the waste of a few hundreds of million dollars which might have been saved had the Government from the beginning concentrated all administrative matters relating to shipping under a single responsible officer for merchant marine. I may remark incidentally that I would not place the job of liquidating the war fleet under such an official. That is a temporary job requiring a specialist.

A bureau or function may be conducted economically enough so far as personnel and pencils are concerned, and without overlap or friction with its neighbors, and yet owing to the unnecessary complexity of the laws or regulations which it administers and the demands it makes upon the citizen, it imposes much needless expense upon the public. I need go no further than the income-tax maze. Whole new professions of tax lawyers, tax experts, tax accountants, have grown up

which cost the citizen far more than it costs the Government to collect the taxes. I marvel daily at the kindly temper of our citizens under these strains.

Under existing hodge-podge arrangement, the citizen is driven from pillar to post among the bureaus, seeking information he wants, settling the demands upon him or determining the regulations by which he is required to conduct his business. I have daily evidence in the Department of Commerce of all these forces. Assistance to and regulation of navigation is not by any means one of the principal functions of our Government, but it must be a sore trial to the hardy mariner. The delay of ships, the time lost to masters and officers as they are shuttled from one office to another, or as one official after another operates on him from the fourteen agencies in six different departments which have to do with shipping, must sorely try his temper. Perhaps hardships at sea make him immune to trouble ashore. But it is a great burden on the merchant marine.

The Cost of Researching

AGAIN there are a great many bureaus at Washington which are given to important economic research. The boundary lines which separate these bureaus, one from another, are necessarily indeterminate. The business man who is accustomed to receive a bombardment of questionnaires from these establishments has good reason to dread the extension of federal encroachment upon business. He would have much less cause for complaining if these government activities were grouped in such fashion that these matters fell under the control of fewer superior officials. If investigation of the same general character had been concentrated, one of the recent widespread questionnaires would never have been sent out, because so far as the information desired could ever be effectively collected it was already in the hands of the Government. In this case, if replies were complete enough to be of any value, a low estimate of the cost to the citizen of making the returns would be \$50,000,000 in bookkeeping alone. One firm stated that a reply would cost them \$20,000; a country doctor complained it would cost him \$100. This case illustrated another point.

The questionnaire carried every earmark of peremptory demand, yet as a matter of fact no citizen was required by law to furnish the information asked for. Such activities are a definite form of oppression. They lend themselves to doubtful constitutional practices of search and inquiry.

The forty governmental agencies which are now supposed to function directly under the President present another problem. Here we have four breeds, classified according to

the functions they perform: the semi-judicial and semi-legislative, the service bureaus to all departments, and the straight administrative. They are supposed to act under the direct supervision of the President. As a matter of fact, these independent establishments conduct their activities with very little supervision or coordination. The last group, the straight administrative, expend nearly half a billion a year—as much as the total of five of the departments under Cabinet officers. If for no other reason, this group should be placed directly in some department in order that the President may exercise through his Cabinet the guidance and control of the administrative arm of the Government.

One Way to Prevent Fraud

THE largest of the independent establishments is, of course, the Veterans Bureau. It is my belief that if this Bureau had been directly responsible to a Cabinet officer there would have been, as in the case of other departmental bureaus, so many more safeguards in management as to have prevented the frauds which have been exposed in the courts in the recent history of that Bureau.

No one doubts that for many years there has been a steady tide of federal encroachments into state authority, and beyond this a steady thrust of the arm of Federal Government into our private business.

There is one side of the Federal Government that is certainly not sufficiently expanded today—that is scientific and economic research and the promotion of public interest by voluntary cooperation with the community at large. This is never an encroachment upon the rights of individuals. It can truly be better organized, but today the whole of our activities in these directions involve less than 3 per cent of our federal budget, and they bring returns to the taxpayer not in few per cent but in hundreds of per cent every year.

I wish to repeat that the faults of organization are not a matter of the taxpayers' small change. They form a total of waste which, considering the indirect results, runs

into high figures. The waste from bad organization is not to be measured in loss of dollars of congressional appropriations alone. That is bad enough, but still larger is the indirect loss in the unnecessary costs they impose on the citizen. All these weaknesses have been multiplied by the growth of the country, the enlargement of its problems and the burdens from the war.

What we need is three primary reforms: first, to group together all agencies having the same predominant major purpose under the same administrative supervision; second, to separate the semi-judicial and the semi-legislative and advisory functions from the administrative functions placing the former under joint minds, the latter under single responsibility; and third, we should relieve the President of a vast amount of direct administrative labor.

Revamping Has Been Urged

EVERY President from Roosevelt to Coolidge has urged upon Congress a reorganization of the executive arm of the Government, commissions have been appointed, congressional committees have investigated, reports have been made, confirming all this. Cabinet officers express their feelings in spirited annual reports with a circulation of a few hundred copies. More than once a complete program of reorganization has been formulated, and put forward as a basis for general consideration.

But practically every single item in such a program has invariably met with opposition of some vested official, or it has disturbed some vested habit, and offended some organized minority. It has aroused paid propagandists. Meantime the inchoate voice of the public gets nowhere but to swear at "bureaucracy." Nor will we ever attain this until Congress shall give actual authority to the President or some board, if you will, or a committee of its own members to do it. It will serve no purpose to investigate again and report; we have had years of investigation and every investigation has resulted in a recommendation for some action. What is

needed is the actual delegation of authority to act. Congress courageously removed the civil service from politics; it created the budget; it established the classification.

I do not expect that the Federal Government will ever be a model of organization, but I have aspirations to see it improve. Nor is Congress to be blamed for this situation as it is impossible for such an overworked body directly to study and act upon the overwhelming detail involved. Nor is it for a great body like this to determine the right and wrong of a thousand clamors. Congressional committees have too many sessions, and even so late as the last session reported out important recommendations.



Reception Room, United States Chamber of Commerce Building

The Farmer Knows His Business

Advice Is What He Does Not Need, But He Will Welcome Cooperation in Addition to Consideration of Freight Rates

By WILLIAM M. JARDINE

Secretary of Agriculture



© STUDIO ROYAL
William M. Jardine

THERE is no doubt that American business has become increasingly aware in recent years of the significance and the needs of agriculture. The numerous conferences between farmers and city business men and the various efforts in the direction of unified action bear witness

to this fact. Awareness of agriculture and its problem is not enough, however. To know that there is a problem is something, but it is only a first step.

If American business is to make any significant contributions to the solution of farm problems, it must get down to brass tacks, find out what these problems are and what they involve, and then offer its help to the farmer in solving them.

American urban business does not yet as a whole understand farming or the farmer. For example, a group of city business men, honest and well meaning, hits upon the idea that more dairying is needed in the community. The business men reach this conclusion on the basis of articles they have read in newspapers and magazines pointing out that dairying is a stabilizer of agriculture, which, of course, it is. But it may happen that their community is already carrying on all the dairying that can

be effectively maintained there. The project of the business men will cost money and labor but will be a failure because the men back of it do not thoroughly understand the agriculture of their own community.

In many, perhaps most, places an increase in dairying would be exceedingly useful, but it is not safe in any particular case to rely on a generality like this. A chamber of commerce surveys its town before inviting industries promiscuously to locate there; it doesn't want to risk the likelihood of business failures. It is just as easy and just as important to make a survey of a farming community under direction of the farmers of that community and with the assistance of agriculturists of experience in that field of work.

Furthermore, the business man in city or town must realize that the farmer is likewise a business man, and that business men have a perpetual objection to being directed from the outside. Nobody needs to tell the farmer what to do. He has little liking for advice, and rightly so. What he wants is an equal chance to carry on his business as other business is carried on. He will welcome cooperation from others, just as any good business man will, but he will insist on running his own business. For instance, if farmers generally decide that cooperative marketing is the best practice for them, they will carry out their plans regardless of any opposition that may arise from other elements in the population. Any individual or any group that tries to stem the tide of agricultural progress is

certain to suffer for his rashness. Farming is the oldest big industry we have, and the farmer knows his business from centuries of experience.

I am confident that far-sighted business men in the cities and the towns are going to come to a greater and greater realization of the importance of these facts and are going to cooperate with the farmer in carrying out the practices which he finds are necessary to the success of his business.

One specific way in which cooperation can be given to the farmer today is in connection with the freight-rate problem. A careful study should be made of the whole freight-rate structure. On the basis of such a study it should be possible, in adjusting freight rates, to take into account both the market value of farm products as reflected over a reasonable period of years, and the influence inevitably exerted by freight rates over the economic development of particular regions and of the country as a whole.

I realize that the cost to carriers must be fully reckoned with as a factor in rate making, but I am convinced that it is equally important to consider the value of the service to the shipper. It is not my idea that freight rates should be continually changed to meet fluctuations in market prices. What we must do is iron out present inequalities in the freight-rate structure and work out a policy whereby readjustments can be made in the levels of freight rates to meet the changes that occur in economic conditions over considerable periods of time.

An Influence for the Country's Good

Chief Justice Taft in His Dedication Address Points Out the Chamber's Achievements and Responsibilities

By WILLIAM HOWARD TAFT

Chief Justice, the Supreme Court



© HARRIS & EWING
William Howard Taft

MY PRESENT judicial duties are so absorbing and consume so completely all my energies that I have now for four years rigorously denied every temptation to make speeches. There was a time in my life when I sinned much in this regard, and it was during that period

that I had the pleasure of taking a formal part in the organization of this great institution. But for that circumstance, I should have felt obliged to decline your kind invitation to come here and participate in your

dedicatory exercises. The alluring opportunity to claim credit for something that was done during my administration of the Presidency was too much for me, and here I am.

I am not here to make an address. I am here for a few minutes only to tender to you my sincerest congratulations upon what your membership has made of this association. I am here to felicitate you upon the beauty and appropriateness of the home in which you are now housing the Chamber of Commerce. The great architect who designed it had in mind the dignity and beauty of this executive center of our capital, and made it worthy to face the White House. No higher compliment could be paid to it.

With small beginnings, under the initiation and approval of Mr. Charles Nagel, then the Secretary of Commerce and Labor, you have

built a center of influence that has made, and will continue to make, for the great good of this country. You have united together, in a common and effective purpose, the great body of intelligent and active business men of the United States, and you have furnished for the people of this country an instrument for the effective organization of public opinion that is and will continue to be of the highest benefit.

All governments must recognize the force of public opinion, whether they be monarchical or popular; but in the maintenance of a popular government, it is the ultimate resort. But what is public opinion? Much has been written to describe it. President Lowell and Mr. Walter Lippmann have pointed out how difficult it is to define its sources and to be sure of its trend and its effect. But we know this about it—the greater the

opportunity there may be to inform the public of the questions requiring settlement, and the facts upon which those questions should be decided, the wiser its expression.

One of the difficulties in securing its useful aid in the direction of government is the lethargy of the ordinary citizen and his indisposition to develop an interest in the important general questions presented, and to use the information available to him and exert the needed mental effort to make decisions and formulate his views. It isn't enough to have intelligent men in our citizenship. It isn't enough to spread education as far as we can. We must also arouse the active interest of those who must be the individual units of the many whose united views are public opinion.

This is the greatest of the functions of your association. As your constituents, you have hundreds of thousands living in every part of this country. Among them all, every phase of every public question must come home to some part of your membership. While that

embraces especially the business men, they in their rank and file become familiar with every factor affecting the welfare or illfare of the country. You are not a faction. Taken together, you have no selfish or other aim, narrow and contracted, that blinds you to the general good. You are not cranks. You are not men of one idea. As much as any set of men, you have in you as a whole the Catholic spirit of good-will to all elements of our society. By proper methods you aim to diffuse that spirit throughout your membership.

Nothing can help more in this way than to stimulate the inquiry of all your members into every public question of public importance that presents itself for settlement by those charged with the government of the country. By your questionnaires you call upon every one of your hundreds of thousands to answer these questions. You spur him to investigate. You inspire him to a sense of responsibility in a quasi-judicial self-examination of his own views, and by com-

parison with the views of his fellows you bring about definite conclusions out of a nebulous, lazy, ignorant condition of mind that so often persists, even among the intelligent but indifferent.

I could go on and point out the reform and improvement of methods in the conduct of the great business of the country which the investigations, recommendations and discussions of your committees promote, but there are others much better adapted to do this than I. I hope you will hear from Mr. Nagel, the man who really assisted you in your beginnings. I feel that I am appropriating a credit that really belongs to him.

I am confident that with your marvelous growth, the sound principles upon which you have established your association, and the great opportunities that present themselves for usefulness, the future of this organization will show it to be one of the real non-official factors in the progress of our country. I thank you for the honor and privilege of giving you this greeting.

Private Ownership Is Necessary

Why the Government Cannot Successfully Operate a Merchant Marine in Competition With Those Conducted on a Business Basis

By ADMIRAL LEIGH C. PALMER

President, Emergency Fleet Corporation



Admiral Leigh C. Palmer

EXCLUSIVE of Great Lakes shipping, tankers, and vessels whose size or type make them unadaptable to deep-sea work, that portion of the merchant marine in the coastwise and nearby foreign trades comprises more than six hundred vessels. On the foreign trade routes, where it is

more difficult for private American ships to live under present conditions, there are only about ninety such ships.

Of the total American tonnage, except tankers, employed in foreign trade, about 80 per cent is government-owned, for which reason, doubtless, careless speakers frequently refer to the government fleet as the merchant marine.

As you know, the Fleet Corporation is operating this fleet on the trade routes laid down to parallel foreign competitors. Unquestionably, we are maintaining more comprehensive services on some of the routes than the bare operating results would appear to justify, but here we must discriminate between the large question of protection of national trade interests and the less important, though more tangible, one of ship earnings or losses.

I think I may safely say that the services at present maintained by the Government are not far different in extent and character from those that would be maintained by efficient foreign operators if ours were withdrawn, except that we are serving more ports on some of the routes than the trade warrants. But while our services are appropriate to the trade, generally, they are costing us too much in comparison with those of our competitors.

This brings us to the two principal points of our problem, first, that American ships are handicapped by a heavy differential in costs, and, second, that American operators are more or less at a disadvantage in being newcomers into the international shipping game. A differential, which for convenience may be called the tangible differential, approximately reflects the difference between the price scale, or the standard of living, here and abroad.

Another, which may be called the intangible, differential would be greatest in the case of a government-owned line, for it is plain that a private owner can do many things to secure business that a government operator cannot do. So far as the government-owned fleet is concerned, the intangible differential may be diminished very considerably if and when we are able to turn our lines over to private ownership.

In short, the Government should dispose of its fleet to private ownership as soon as possible without sacrificing the national interests, not merely for the sake of the direct economies which would result, but for the far more important purpose of placing the merchant marine on an efficient and permanent basis.

The economical operator carefully watches every item of cost, making sure that he gets full value for every dollar spent; but this is only part of the picture; he makes equally sure of getting every bit of cargo that will pay its way. Sometimes, it is true, he will take cargo that does not in itself pay adequately if by doing so he forms a desirable business connection or satisfies a client, but he will not make it a practice to serve ports where the business offered is unremunerative. The point is that he watches every detail of his business and therefore is economical and efficient and earns dividends when dividends are possible.

The Government operator cannot be expected to be as efficient because he has com-

paratively little at stake; it is not his own money that he pays out; the losses do not come out of his pocket if he fails to get sufficient revenue to pay his operating expenses. In times of national danger, under the spur of patriotism, human effort will rise to sacrificial heights, but in times of peace it is apparently difficult to handle a commercial business for the Government as thriftily as for one's self. In a private shipping organization, every individual from the president down bears the stirring fact in mind that his job depends upon his doing his part in earning dividends for the company; if there are no dividends, there will be no jobs—or not for long.

That part of the privately owned merchant marine which is engaged in overseas trade is probably breaking even, or possibly making a profit in spite of the handicaps of greater first costs and fixed charges, higher wage scale, duty on repairs made abroad, and other disadvantages, as compared with foreign competitors.

This, however, does not apply to any great number of vessels in foreign trade, and could not properly be used as an argument that aid is not necessary to overcome the differential. It applies to a few so-called industrial carriers who, in addition to basic cargoes from home ports, are able through their world-wide business connections and through their own requirements for raw products from abroad and through their businesslike cooperation in giving foreign competitors some of their outgoing business, to get good cargoes homeward as well as outward. Such organizations are the nucleus of the privately owned American merchant marine, and if our ships could be sold into like capable hands, the future of the merchant marine would be assured.

The greater part of the overseas merchant marine, that part which is owned by the Government and operated through managing agents, is losing heavily though the average

losses are much less than they were a year ago. I think it is well to try to clear the atmosphere and show just why we are losing money while our foreign competitors and private American operators are breaking even or making small profits.

Our wage costs are considerably higher than the British and nearly 100 per cent more than those of certain other countries.

Our higher cost of administration, commonly referred to as overhead, is not easily evaluated since conditions vary greatly among American organizations and, of course, foreign costs are difficult to ascertain, but it is probable that the difference is nearly proportional to the difference in the general price levels here and abroad.

To give concrete form to these items, we may assume that the average results of a certain government-controlled line show an operating loss of \$15,000 per voyage while a foreign line of similar ships in the same trade is breaking even. The tangible differential against our ships will be assumed to comprise the following items:

Higher wages.....	\$3,400
Higher cost of food, stores and equipment.....	1,600
Higher cost of repairs.....	1,500
Higher administrative expense.....	1,200
Total.....	\$7,700

If the foreign ships are breaking even while ours are losing \$15,000, and if the tangible differential accounts for only \$7,700 of this, the remaining \$7,300 is the intangible differential attributable to more efficient operation of the foreign private line as compared with our government-controlled line.

This intangible differential may include:

Inexperience or inefficiency of the operator and his personnel, including ships' crews, which is reflected in insufficient revenue, and in high operating costs in general.

Inadequate traffic organization at home and abroad and consequent inability to secure a due share of the traffic.

Lack of basic cargo, due to a lack of favorable business connections at home and abroad.

Comparative absence of the favoring spirit or good-will, due to recent appearance in the field;

unproved reliability, or lack of established reputation; and the more or less common view held by shippers that the service is of an emergency or temporary character.

Unfavorable, or discriminatory, United States laws.

Covering more ports than economic conditions justify.

The Fleet Corporation is following consistently the President's well-known policy of efficient economy in public expenditures. We shall not be satisfied as long as our losses are greater than those which can properly be accounted for as the unavoidable differential between the cost of public and private American operation of the necessary services.

In the matter of administrative expenses, the annual payroll has been reduced during the last four months more than a million dollars through the elimination of unnecessary personnel. However, the prospect for the greatest improvement lies in the further reduction of vessel operating expense and the building up of revenues. During the last sixteen months we have been clearing the ground. We have reduced our losses from \$50,000,000 to \$36,000,000 a year although handling the same amount of business and, in July, two months from today, we will be operating at a loss of but \$28,000,000 a year.

I don't want to mislead myself nor do I want to mislead anyone else into the idea of thinking that the reductions in the cost of operating the Fleet Corporation, say from \$50,000,000 down to \$28,000,000 bear any real relation to the advance that is being made toward solving our merchant-marine problems. In spite of all the increased economy and efficiency of the Fleet Corporation in the last sixteen months, no real constructive measure has been adopted by the country to keep our merchant flag permanently on the sea.

It is obvious that if our merchant marine is to be kept on the overseas trade routes on anything approaching a basis of equality, we must have ships as cheap as our foreign rivals. At the present time, the values of American vessels, especially those of the Fleet Corporation, have been marked down in price

to a parity with foreign ships; in other words, a common world value has been practically established. But when it becomes necessary to build new ships, either for replacement or in order to secure improved or special types for particular trades, the higher cost of American construction will be prohibitive, and if nothing is done in the meantime to alleviate the situation, our vessels for the most part will disappear from the foreign trade routes when the existing vessels become obsolete and non-competitive.

It appears that there are only two alternatives to meet the situation. I am not in a position to say which is preferable, but the question should be studied by all concerned and a national policy adopted by Congress so that shipping interests will know where they stand as regards the future and will be able to prepare in advance of the necessities. These two alternatives are the adoption of a policy of free ships, by which American operators may be permitted to buy or build ships in any part of the world without restriction and place them under the American flag; or the extension of our system of protection to the shipping industry, by means of some assistance which will have the effect of compensating or reimbursing the operator for the difference between the costs of ships built in American yards and abroad. This would place him on a parity with foreign competitors as far as his capital charges are concerned.

The Chamber of Commerce of the United States is on record as one of the great organizations of the country that is vitally concerned in the upbuilding of the merchant marine privately owned and operated.

I have not attempted to advise you as to a method of procedure. I have given you what I see of the general situation today and am ready to furnish any further information. As you represent the commercial interests of every section of the country and every class of producers, manufacturers and importers, it would seem that we might hope for some constructive recommendations from you that will assist the law-makers in their difficult task of solving this problem.

Evasions in Foreign Trade Treaties

How Technicalities May Be Used to the Disadvantage of the American Exporter

By JOHN N. WILLYS

President, Willys-Overland Co., Toledo, Ohio



John N. Willys

A KEEN observer once said that the difference between export and domestic trade is that while home commerce is a matter of bread and butter, exports are merely the jam.

If he had gone further with his discussion of dietetics, he would have been forced to add that

jam contains nutritive elements just as essential to a rounded-out diet as is the crust upon which it is spread.

World trade is constantly becoming a matter of greater importance to the domestic prosperity of the United States. The mass-

production methods which we have evolved in this country in the past quarter of a century have geared our manufacturing plants to a new productive capacity. If we are to employ these facilities to their fullest extent, if we are to insure the American working man, the American farmer and American capital with a dinner pail containing something more than the poet's time-honored fare, we cannot rest content with domestic markets.

Exports Are Changing

IN ANY review of the history of American foreign trade, one cannot but be impressed by the change which is taking place in the form of our exports.

In the early days these consisted largely of staple raw materials and foodstuffs in the production of which we had certain natural and technical advantages. Now we have

added to that list a wide and growing group of manufactured specialties, primarily in response to the demand of enormous home markets, but nevertheless available for foreign uses.

The future of our export trade lies primarily in our ability to produce on a large scale and under advanced technical conditions, highly specialized manufactured products primarily for our domestic markets, but of a character and in quantities sufficient to justify efforts to introduce them into foreign markets.

Among such commodities I would naturally have first the automobile, but the list is a wide one, comprising such typically American products as the typewriter, cash register, electrical equipment and agricultural machinery, all of which now figure conspicuously in our export trade.

The great opportunity which has permitted

the development of manufactured articles here has been the enormous domestic market which will, of course, always continue to be the major consideration of American manufacturers as a whole.

Coupled with that, we have the advantage of highly specialized engineering ability which has resulted in mass-production methods which permit the manufacture of the finished commodities at tremendous decreases in cost without sacrifice in quality.

Realizing that as the selling price per unit decreases, the circle of potential consumers of any product is widened, the automobile industry, for example, has sought steadily to bring down its cost. This has been accomplished in the face of increases of approximately 100 per cent to the workers and increases of 50 per cent or more in the cost of the raw materials.

The unique position which the United States now has in the financial world is another asset of undisputed value. With the advent of the World War, America made its debut in the international investment field. Initially this took the form of loans to governments for construction of public works and for refunding operations. Purchase of securities of foreign public utilities was the next and a logical step. The financing of foreign industries followed, as have steps to aid the finances of foreign nations through help in arranging rediscount credit.

Finally we may expect that international credit facilities ultimately will be established for the conduct of export trade, much as domestic commerce has been aided through the creation of means to carry on intensive trade in commodities of large unit value.

When we come to a consideration of foreign trade policies from a government standpoint, however, we find that in many cases the advantages cited are offset to a considerable degree by the tariff policies of the countries where we expect to find a market. In others, they present themselves in the shape of administrative regulations, classifications, import licenses, embargoes and restric-

tions which in their nature are very similar.

Practically all of these restrictions can be dealt with by a proper tariff policy and it is therefore quite natural that the manufacturing industries of the United States producing an exportable surplus should manifest a deep interest in the tariff policy of the country, not only from the standpoint of the protection of the domestic market, but also as a very important factor in their ability to develop foreign markets.

Let us see how our present tariff policy deals with this particular problem. As you all know, the Executive is authorized to apply certain retaliatory measures against countries refusing to grant to American products as favorable treatment as that granted to similar products coming from any other country.

Since the present tariff went into effect, most-favored-nation treaties or temporary arrangements have been concluded with about a dozen countries and it is understood that similar agreements are being negotiated with others. On the other hand, no use has as yet been made of the retaliatory provision in a direct way, that is, by applying the punitive rates of duty to products from countries refusing to grant us most-favored-nation treatment.

Let us assume for the sake of argument that the State Department will, in the course of the next few years, succeed in negotiating most-favored-nation treaties with all the countries of any commercial importance to the United States. This will mean that in every market of the world where an American manufacturer or exporter will send his product, the rate of duty or customs regulation applying to that product will be as favorable as that applicable to a similar product imported from any other country.

Let us also assume that the treaties will be carried out in the most liberal manner, without any attempt to take advantage of technicalities that sometimes play a very important part in tariff procedure.

Will such a policy, although desirable as far as it goes, be adequate to care for the growing needs of our export trade?

In a general way, authorities tell me, the policy described above will be found fairly satisfactory in the case of exportation of staple commodities.

This, however, is not the case with the American specialties. If Greece, for instance, should, for one reason or another, decide to place a very high rate of duty, say, on cash registers, what country outside the United States will be sufficiently interested to offer a tariff concession in order to obtain a reduction of that duty?

And if no other country should be sufficiently interested in cash registers to include that article in the list of concessions in its treaty with Greece, it would mean that the American cash register would be subject to the original high rate, since our present tariff does not provide any facilities for obtaining tariff reductions in other countries except in cases where there is a direct discrimination against the American product.

If it is true that our export trade is going to tend more and more towards manufactured specialties, using the term in a broad sense, such cases of so-called indirect discrimination are likely to become more and more frequent, and consequently the inadequacy of our present tariff policy will become more and more apparent.

As I pointed out before, I do not mean to imply that our tariff policy as regards our relations with foreign countries is a pressing problem with all American industries. Some are not sufficiently developed to be concerned with foreign markets; some produce staples and can get along very nicely with our present policy.

But it seems to me that there must be a considerable number of specialized American industries for which foreign markets are extremely important, if not absolutely essential, and whose needs are not sufficiently met by the present policy of obtaining merely most-favored-nation treaties.

Put All the Cards on the Table

*It Is the Duty of the Chamber of Commerce to Give the Public
All the Facts About American Business*

By RICHARD F. GRANT

President of the Chamber of Commerce of the United States



© HARRIS & EWING
Richard F. Grant

IN THE PROBLEM of government, every one of us humble or exalted really wants the right answer. Nobody wants the wrong answer. There will be differences of opinion. But it is inconceivable that any man will deliberately seek to force any plan which he consciously knows is unsound and against the welfare of the country.

The motives of the Chamber of Commerce of the United States cannot be questioned when it has been established over and over again that we are merely seeking the right answer. Honest differences we welcome—but we choose to stand on demon-

strated fact and not on erroneous imagination.

How has our effort impressed our national leaders who have had such contact with us that they may intelligently measure our effort? President Wilson, speaking of us, said:

I am particularly glad to express my admiration for the kind of organization which you have drawn together. . . .

You cannot perform the functions of this chamber without drawing in not only a vast number of men, but men and a number of men from every region and section of the country. Its strength must come from the uttermost parts of the land and must be compounded of brains and comprehension of every sort.

It is very instructive and useful for the Government of the United States to have such an organization as you are ready to supply for getting a sort of consensus of opinion which proceeds from no particular quarter and originates with no particular interest.

President Roosevelt said:

On more than one occasion I have expressed

my hearty belief in what the Chamber of Commerce of the United States is doing.

For cooperation with the Government in fostering, promoting and developing foreign and domestic trade, such a great national organization of business men and commercial associations is invaluable.

Your referendum are both educative and useful in that they not only focus simultaneously the attention of 400,000 business executives on a national question but they lay before Congress and the authorities in Washington the opinion of American business in regard to national problems affecting industry and commerce.

The present Chief Justice of the United States, when he was President, said:

What is the purpose of this organization? It has come at a time when the opportunities for making an organization of this kind seem to be especially useful. . . .

I speak of a movement for the purpose of showing the power that this national organization has by the referendum to all these organizations to gather from them the best public

opinion that there is, in order to influence the legislation of the country so far as it may be properly influenced.

President Coolidge has publicly stated:

I have been greatly pleased to observe the many evidences which come here, indicating that the attitude of the Chamber of Commerce very accurately reflects that of public opinion generally.

Only last month Senator Smoot, Chairman of the Senate Finance Committee, wrote:

It gives me pleasure to advise you that I consider the work of the United States Chamber of Commerce worthy of support from all sections of the United States. Their labor and investigations are national in scope. Many times I have learned through the Chamber the sentiment of the people of the United States regarding great questions affecting the business of the country.

I wish the Chamber unbounded success for the future.

Chamber Sets Example

SENATOR CURTIS, speaking of the Transportation Referendum, said:

Regardless of the outcome of proposed legislation, the Chamber of Commerce of the United States has set an example of how to present helpful information to Congress which others engaged in similar work could follow with profit.

Would these men, the leaders in our Administrations, and Congress make such statements if the National Chamber represented any sinister or selfish group? They recognize that the National Chamber is working in the public interest—giving the best business thought in the country to the solution of our problems, openly and publicly—in order to help find the right answer.

The press, the telegraph, the telephone, the radio and other forms of communication have made great strides in the promotion of clear thinking on the part of our public. But the increasing complexity of our present civilization has brought so many ramifications to the problems of government and business that public understanding has sometimes failed to keep pace. The light of publicity and the frank facing of our problems, their discussion in a form such as all of us can understand, is, to my mind, the greatest need which we have today. Then the rumors and half facts of those who, either through ignorance or malice, would upset our present civilization, will completely fail. For these whispering campaigns always fail except among the ignorant and the cowardly.

The solution is in continuing and widening the education of the public as to facts, as to problems, and as to dangers.

This is basically the job of the Chamber of Commerce of the United States in regard to the problems of American business. It is a job which it has carried on with increasing ability and increasing effect during the past thirteen years. The Chamber is a clearing house of information for American business. It takes the facts, the information, and the deductions therefrom and presents them to our members, to the public, and to our Government for acceptance or rejection.

As important as presenting these subjects to Congress and to the Administration is the fact that the Chamber at the same time has presented them to the public, and in this way it has helped to arouse public interest in and public understanding of them.

Right here in the National Chamber we have noted definite export sales efforts on the part of over four thousand American concerns. Business travel abroad by American executives, by salesmen and trade delegates

from the United States has greatly increased. Not only from the point of view of dollars and cents to business, but from the angle of our own political and social stability, are we affected by our international relations.

During the past year, we have seen put into effect one result of this service of American business men, the Dawes Plan. These same men and many others are continuing their work.

Here at home public finance and how it affects your business and your pocketbook is perhaps the national problem which can be most easily visualized to the individual. All of you have compared your income tax for 1923 against the income tax which you are paying this year. The fact that the Government is being run for less money in direct taxation from you is undoubtedly appreciated.

Both the Treasury and Congress are planning another tax reduction. The country is certainly entitled to it. The surplus this year will exceed \$300,000,000.

One of the great reasons why this reduction in taxation has been possible in the past, and will be possible in the future, can be found in the budgetary practices of the Federal Government. These justify the confidence with which the Chamber has always advocated the federal budget idea. But that, again, is under continual attack and still requires the support of the Chamber, not alone to protect it, but to insure further improvement that is promised.

An appraisal of the banking and credit machinery of the country is being undertaken by the Chamber. There are being organized a number of committees which will make a study with a view to reporting their conclusions during the next year. Proposals for changes in our banking system are being put forward every day. We will consider them and also consider the various suggestions for changes in the Federal Reserve Act and in the policies and practices of the Federal Reserve Banks as well as the all-important subject of the rechartering of these banks when their charters run out.

The Chamber called together a group of leading representatives of various branches of business interested in maritime affairs to an informal conference to consider the situation. The meeting unanimously joined in a request to the National Chamber to organize a general conference composed of all representatives of all interests concerned throughout the country for the purpose of making comprehensive surveys of conditions affecting the merchant marine and the steps necessary to establish it on a successful basis.

Functions of Business

DURING the past decade many branches of business have built up codes of business practices. In nearly every one of these codes you will find enunciated the obligations of that business to the public. A year ago, the National Chamber at its annual meeting adopted the Principles of Business Conduct which started with the statement: "The function of business is to provide for the material needs of mankind, to increase the wealth of the world and the value and happiness of life. . . . When business enterprise is successfully carried on with constant and efficient endeavor to give fair treatment to customers, capital, management and labor, it renders public service of the highest value." Again, "Equitable consideration is due in business alike to capital, management, employees and the public." Business has recognized its obligations and responsibilities.

In addition to the adoption by resolution of these Principles of Business Conduct at

the last annual meeting, over 750 of our member organizations, representing more than 300,000 business men, have individually adopted these principles and in adopting them have stated that they intended to practice them.

I find no such recognition of obligation to the public among the other blocs or factions in this country.

During the agricultural depression in 1923, we made an intensive survey of the situation in a typical region of the west and brought out facts and figures which proved conclusively that it was not a political or economic panacea which was needed, but rather a calm and dispassionate application of sound economics to the business of agriculture. That same area is to be resurveyed this summer.

The extent to which business organizations such as chambers of commerce, railroads, banks and the like, are earnestly and effectively lending their aid and resources to co-operative work with the agricultural groups for the betterment of regional agriculture, is little known to the rank and file of people in this country. A detailed survey and study of these activities has just been completed, and puts business and industry squarely on record as being a tremendously potent factor in the development of our agriculture along safe and sane economic lines.

Supply Overtook Demand

NOT only is agriculture facing a readjustment from the peak of war production. In manufacture we are now facing some of the results of "mass production" developed during and since the war. Supply has overtaken demand in some lines. Moreover, as in agriculture, we are producing more than sufficient to meet current needs with less factories, less supervision and less wage-earners. The number of manufacturing establishments in 1923 was almost 10 per cent less than in 1919. The number of salaried officers employed by industrial companies decreased almost 12 per cent in the same period. The number of wage-earners fell off almost 3 per cent, from 9,000,000 to 8,750,000, but the wages paid were increased by over \$500,000,000. It is significant that this large increase in wages came at a time when the purchasing power of the dollar was on the increase. The present conditions have not resulted from a lack of any buying power nor under-consumption on the part of the public as to their normal demands. But speculation and buying for the future has been checked and turned to hand-to-mouth buying.

Closely allied with it is the problem of distribution. Through studies conducted during the past few years, evidence has been accumulating that the distribution of merchandise is in a state of confusion and that even distributors themselves are unable to judge the relative importance or significance of certain tendencies and factors.

The National Chamber called a National Distribution Conference in Washington, the first meeting of which was held on January 14 and 15 of this year. Almost every conceivable form and branch of distribution was represented.

This conference on distribution is another opportunity for public information and community action. The more close the study by the groups themselves, the more information given to the public, the more rapidly will distribution be adjusted to the needs of the public.

At the request of the Secretary of Commerce, the Chamber joined with a number of other groups in a Conference on Street and Highway Safety. This conference was held

here in Washington during December, 1924.

The terrible public accident toll has brought to the forefront of our national problems that of traffic on our streets and highways. It is a problem that calls for the united efforts of all elements of the community and the nation.

The congestion of traffic is one of the factors which is turning manufacturing and commercial industries from one local center in an urban community to many such centers within a metropolitan area. It has gone even further. Many industries which heretofore found advantage in establishing in large centers have found it to be of advantage to go to smaller communities or to build outside of the metropolitan area. And commercial business is following their lead.

This trend has been the subject of much study by the Chamber and is of importance to every civic organization in the country. Schools, banks and residential sections have had to move because of this new trend of

population. A public understanding is necessary here also.

Although I cannot bring quite as close to home, to each of you the question of centralization of government as I can taxation, traffic safety, distribution, manufacture and transportation, I would like to point out to you certain dangers and problems we are facing today. Various phases of the centralization of governmental functions in the hands of both the legislative and executive branches in Washington have stirred up many cross currents, both politically and economically.

It is not possible to solve these problems on the broad principle of government interference, either with states' rights or with business. Each one has some special aspect which demands the closest consideration and study. But each one, if left to decision by the locality or group most affected, would most likely be settled in a manner which would not take into consideration the welfare of the whole country. When any particular

bloc or group is dissatisfied with a situation there is too much of a tendency to rush to Congress demanding a new law.

The tendency of increasing centralization of government in Washington is meeting with increasing distrust on the part of the public. The public feels that federal commissions and federal investigations have been overdone. Government inquisition of the private citizen and his business, from the publishing of his income tax to innumerable investigations by specially constituted commissions, is becoming extremely unpopular. Already we see the tendency to curtail the power of commissions or to do away with them entirely. This seems to be a healthy reaction against the paternalism of a central government. But we must be careful not to go too far to the other extreme.

I hope that in the future a differentiation is made between these administrative commissions and those which are inaugurated simply for the purpose of inquisition into the private rights of the citizen.

It's Conduct, Not Words, That Counts

The Chamber of Commerce Should Mould Practice That Will Not Require Legislation

By CHARLES NAGEL

Formerly Secretary of Commerce



Charles Nagel

IT MUST be obvious to you, as it is to me, that the Chamber of Commerce of the United States is not a political organization.

At the same time, the organization of this body did involve some political considerations. It may have been easy enough to find a secretary who could give

patient ear to intelligent and industrious business men, to be persuaded of the need of this organization; but it was a rare fortune to have in the White House a President who always gave patient audience to his secretary, and who, after he had decided, had the courage and will to stand, as President of the United States, for the idea that had been adopted.

Needed National Chamber

NO LAW can live, and no institution can survive, unless the wills of those who are to be governed or who are to be benefited are in favor of that institution, and the truth is that the conditions in this country were ripe for a Chamber of Commerce of the United States, and we were fortunate enough to recognize it, and to have a President who believed in seeing it done.

What were the conditions? Up to that time we were divided by the rules of self-interest in this country. The labor unions stood for one side, the merchants for another, industrialists for another, agriculture for another, and each believed that its purpose must be to seek the greatest advantage for itself, regardless of the cost to the others.

We were not unlike that illustration of Sydney Smith, who is said to have walked through

the streets of London with a friend, and seeing two women talking violently at each other across the street, each leaning out of her particular window, stopped and said:

"They will never agree."

He was asked why, and he said, "Because they are arguing from different premises."

Organized Country's Forces

THAT was our situation, and the idea of this organization was to organize the commercial and industrial forces of this country upon an intelligent basis, for their own information, for the information of the entire community of this country, and with a view to find rules of conduct that would permit them to prosper because those who were related to them in one way or another were equally prosperous with them. The purpose was to find a mutuality of interest in this country, instead of perpetuating eternal antagonism that had governed.

We like to trace our system of law to Great Britain—and we should. We could find no better source for inspiration as to how law ought really to be made, because Great Britain is the one country whose law was built upon the custom of the people by present consent.

What have we come to? We have come to the belief that when a resolution is authorized to be printed, and is called a statute, it has become a law. It should be, but it will not be, until the will of the people is really behind it. We are not safe in believing that a naturalization paper makes a citizen. It gives him the right and the privilege to become one. We are too willing to take the form for the statute, and that is the explanation of the over-legislation that has flooded our country.

These are all questions in which you are perhaps as much interested as any part of the community, but in the last analysis every citizen is interested in not having our statute books loaded down with legislative promises

which the executive branch of the government cannot keep. President Coolidge said in his last message: "Once the desire for peace be challenged, all the artificial efforts will be in vain." He spoke of foreign affairs, but he struck a true note. Nothing is more true, to my mind, than that we are given to make resolutions, statutes, speeches, promises, and that we ought to learn to substitute conduct for speech.

That should be the motto of the Chamber of Commerce of the United States. Of course, this organization is interested in knowing what legislation is put upon the books. It is interested in preventing, at times, in amending at others, in helping to shape and formulate. But it is, in my judgment, more interested in helping to mould a rule of conduct that will not invite any legislation.

Should Control Membership

I HAVE believed that all organizations in this country should have more power and control over their own membership and the conduct of their enterprises. We lawyers are permitted to appoint committees to pass upon the examinations for the admission of new members to the bar. The state gives us that much right, or the courts confer that much right, but after we have admitted the member, it makes no difference how serious his offense, we have no power whatever to remove him from our midst, but in most states we must wait until some jury sees fit to disbar the member.

It is so in other professions. I believe that you in your capacity as a Chamber of Commerce should have more control and more incentive to demand that misconduct by which you are apt to be judged should be corrected, either by your own authority, or by a report made to the authority named by the state. The burden is upon you, because your reputation is at stake, and your reputation always goes to the level of the worst member.

Evidence, Not Suspicion, to Govern

The Day Has Passed When Pink Politicians Can Persecute Honest Business Through the Federal Trade Commission

By W. E. HUMPHREY

Member Federal Trade Commission



© UNDERWOOD & UNDERWOOD
W. E. Humphrey

THE ACT creating the Federal Trade Commission provides that it is the duty of the Commission, whenever it shall have reason to believe that a party is using any "unfair method of competition," to proceed against such party, provided that it shall appear to the Commission that such

proceeding "would be to the interest of the public."

In the "interest of the public" is the chart and compass that should direct always the course of the Commission. Since I became a member of the Commission, although it has been but a short time, many changes have been made in its purpose and methods. I believe these changes are right and in the public interest. I believe that these changes are in the interest of honest business.

Won't Convict on Suspicion

THE MAJORITY of the Commission believe that those engaged in business are generally honest. The foundation of the changes in the rules are found in the fact that the majority believes that there should be some reasonable showing before branding as crooks those accused of breaking the anti-trust laws. We demand evidence. We refuse to convict on suspicion and possibilities.

In the past, when a complaint was received, an ex parte investigation was made. Sometimes these investigations were extensive, often they were superficial, and not infrequently they were merely formal. Upon such an investigation, a complaint was issued against the respondent—that being the term used to designate those against whom the Commission proceeds—and immediately upon the issuance of this complaint, the Commission itself officially gave out publicity as to the charges against the respondent. Such publicity, coming with the official stamp, especially in cases where the respondent was prominent or the political effect important, was given wide circulation. Particularly was this true of any sensational statements made in the publicity.

It sometimes happened that the respondent knew nothing of the matter whatever until it saw itself advertised as a crook by the headlines in the public press, and never was the respondent given an opportunity to be heard before such publicity was issued. It frequently happened that thereafter, on the hearing of the case, sometimes months afterwards, sometimes years afterwards, it was found that the respondent was entirely innocent and the case was dismissed. But this dismissal brought no headlines in the press. It was not news. It furnished no text for socialistic and bolshevist propaganda. It furnished no political weapon for those who preach the doctrine of universal dishon-

esty in the conduct of American business. The injury done to the respondent, the poison injected into the public mind was not removed by the dismissal of the case.

Let me give you an illustration. The Commission issued a complaint against a company, charged with having illegally acquired the stock and assets of several competitors. That respondent had arranged to borrow some forty million dollars to finance this transaction. When the case came to trial, it was found that the transaction was perfectly legitimate and would have been to the public interest. But what a travesty on justice! The publicity given out when the complaint was issued caused the banks to withdraw the loan, the credit of the respondent was destroyed, it was a bankrupt long before the case was heard. Not only the respondent, but the other companies that were to be consolidated with it, were ruined, and a great, legitimate industry destroyed. Both the public and the respondent were entirely without redress.

The majority of the Commission believes that such practice is unjust to the respondent, a reflection on the Commission, and insidiously dangerous to the public. This practice has been condemned and stopped. I submit to you whether or not our action was right or wrong.

Another change in our rules of far-reaching importance is in regard to settling cases by stipulation. If a party is violating the anti-trust law and by stipulation quits such practice, why is not the public as fully protected by such stipulation as they would be by going to the expense of a trial and issuing an order thereafter?

To Protect the Public

NOTHING has aroused greater opposition from those who are opposed to the change in rules than our policy of settling cases by stipulation. Our opponents say that this should not be done; that in all cases where stipulations are warranted, the case should proceed to trial. As I construe it, the primal duty of the Commission is to protect the public from unlawful practices. If this can be accomplished by stipulation instead of litigation, leaving out of the question the great cost to the taxpayer in these days of dire necessity for economy, what can be the objection to so stipulating?

I believe that the chief objection to settling cases by stipulation lies in the fact that it tends to lessen the publicity that the demagogue and the fanatic wish to use in their propaganda of socialism and discontent.

Do not forget that our rules in regard to publicity and to stipulation do not apply in cases where the business itself is inherently fraudulent or where the business is legitimate, but is conducted in such manner as to show the dishonesty of those engaged in it, or where the record and reputation of those complained of are such as to warrant the Commission in believing that a stipulation would not be honestly entered into, or honestly observed.

By our rule of stipulation I believe that fully 75 per cent of the controversies before the Commission are going to be settled fairly and honestly and to the interest of the public, without the expense and work of a trial, and to the very great saving of money to the taxpayer.

In view of this policy, the Commission has decided that hereafter in any matter whatever, where the respondent voluntarily submits any papers or documents of any kind whatsoever to the Commission, that they will be held as strictly confidential. No one else can inspect them except upon proper order of the courts. In other words, we want the business men of the country to know that when we ask them for information, such information is for us alone. Hereafter the Federal Trade Commission is not going to be a sort of smelling committee or a detective agency for any other department of the Government.

Not for Private Litigation

IN THE past many cases have been brought before the Commission where the aggrieved party had a plain and adequate remedy at law. A familiar illustration is that of the cases where concerns are engaged in the same business, each conducting its affairs in an honest manner, with no complaint from the public about the action of either. One would accuse the other of infringing unlawfully upon its trade name. It would appeal to the Commission and the Commission would take jurisdiction of the matter.

In such case, the public interest is small. There is a plain and direct way for redress in the courts. As the Commission feels that at all times it must be controlled by the public interest, we feel, especially in view of the many more important matters demanding our attention, that we are not justified in spending the public time and money in the prosecution of such cases. We do not believe the taxpayer should pay the cost of private litigation.

Of course the powers of the Commission are strictly construed and it has no jurisdiction except that specifically conferred by Congress. The Commission is and should be anxious, in so far as it properly may, to carry out the desire of Congress or that of either House of Congress. The Senate has several times passed resolutions directing the Commission to make certain investigations. So far as I know, the House has never exercised this prerogative. Of course, it is unnecessary to argue that a resolution passed by one branch of Congress confers no additional jurisdiction upon the Commission. Some of the resolutions that have been passed by the Senate, it seems to me, have gone far beyond our jurisdiction. But heretofore the Commission has adopted the policy of proceeding under any resolution that the Senate might send to it, regardless of the Commission's jurisdiction to legally do so.

I will give you a few recent illustrations of the character of these Senate resolutions: S. Res. 163—68th Congress, by Senator

La Follette, directs the Commission to investigate the production, distribution, transportation, and sale of flour and bread, including by-products (and report its findings in full to the Senate, showing the costs, prices, and profits), at each stage of the process of production and distribution, from the time the wheat leaves the farm until the bread is delivered to the consumer; the extent and method of price-fixing, price maintenance, and price discrimination; the developments in the direction of monopoly and concentration of control in the milling and baking industries, and all evidence indicating the existence of agreements, conspiracies, or combinations in restraint of trade.

An amendment to S. Res. 329—68th Congress, by Senator Norris, directs the Commission to report everything in connection with the propaganda "through the expenditure of money or through the control of the avenues of publicity, to influence or control public opinion on the question of municipal or public ownership of the means by which power is developed and electric energy is generated and distributed."

S. Res. 34—69th Congress, by Senator Shipstead, directs the Commission, among other things, to secure information with respect to the economic advantages and disadvantages of the cooperative movement in this country as compared with other types of marketing farm products.

It seems to me that these resolutions are about as wide as the English language and as inclusive as the imagination. I do not very well understand how the Commission can proceed to investigate everything under the sun that relates to a great industry, when no specific charges are made, or evidence submitted, and when there is nothing that would give us reason to believe that such investigation would lead to the discovery that there was violation of the anti-trust act. Certainly we would have no power to compel the production of evidence under such resolutions.

If the Commission must respond to every resolution of either House of Congress, then it is entirely within the power of either House to control the Commission's activities.

Then it would be entirely within the power of either House to use the Commission absolutely as a publicity bureau to spread such propaganda as the whim of the hour might dictate.

The only material changes that have been made in regard to the Commission using publicity are two:

1. We no longer give out publicity when the complaint is filed, but do so after the case is tried.

2. We open the files to the public when the respondent files his answer or when the time for filing it has expired, so that both sides of the case can be had by the public at the same time, believing that thereby the public will be best served and the respondent most fairly treated.

Before the adoption of the new rules, as already stated, the Commission itself gave out a statement in reference to the complaint, at the time it was filed and, of course, the complaint was thereafter at all times open to the public.

I submit to your candid judgment what fair-minded person can object to these changes.

Naturally you ask whence comes the opposition to the changes in procedure; whence all this tumult and shouting, this denunciation, vituperation and misrepresentation about what these changes mean? This cry of robbing the minority of the Commission of their rights. Our opponents, in the extreme anguish of patriotic martyrdom, exclaim that the rights guaranteed them by the Constitution are destroyed because we no longer give out publicity when a complaint is issued.

These protests against the change in procedure do not come from the business interests of the country. Business has almost universally approved these changes. They do not come from the public generally. The public is almost entirely favorable. They do not come from the Democratic party. They do not come from the Republican party. Both these parties believe in Constitutional Government and the Commission being controlled by the elementary principles of our jurisprudence.

This opposition comes from the vocal and beatific fringe, the pink edges that border

both of the two old parties. It comes from that element whose political platform is expediency; whose political creed is that "what-ever is, is wrong." From that class that looks upon the world with a jaundiced eye, that believes that success and dishonesty in American business are synonymous.

The exact truth is that the opposition to the changes in procedure comes from those who believe that these changes will prevent them from using the Commission for personal and political purposes. I make this statement, measuring my words, based upon the facts that I have learned since I became a member of the Commission.

So far as I can prevent it, the Federal Trade Commission is not going to be used as a publicity bureau to spread socialistic propaganda. In so far as I can prevent it, the Commission is not going to be used to advance the political or personal fortunes of any person or party.

I express the faith of the majority of the Commission as it is composed today, when I say:

We do not believe that success is a crime.

We do not believe that failure is a virtue.

We do not believe that wealth is presumptively wrong.

We do not believe that poverty is presumptively right.

We do not believe that industry, economy, honesty and brains should be penalized.

We do not believe that incompetency, extravagance, idleness, and inefficiency should be glorified.

We do not believe that big business and crooked business are synonymous.

True we will give closer scrutiny to big business than to small business, because of its greater power for good or evil.

We believe that 90 per cent of American business is honest.

We believe that 90 per cent of American business is anxious to obey the law.

We want to help this 90 per cent of honesty.

We want to control or destroy the 10 per cent that is crooked.

In this endeavor, we want your help. We hope to deserve it.

America's Job Across the Water

By JOHN H. FAHEY

American Member of the Council of the International Chamber of Commerce



© HARRIS & SWING

John H. Fahey

IN THE years before the war, there was no very keen or active interest in commercial treaties. Some of them are nearly a century old, so far as many of their features are concerned.

The new treaties, lately negotiated, and some approved, have enunciated a new and a very definite principle, so far as Ameri-

can foreign policy is concerned, in the laying down of the principle of so-called most-favored-nation treatment unconditionally.

The German treaty is the first example of the establishment of this policy by the American Government without any limitations whatever.

Of course, the establishment of the policy

of unconditional most-favored-nation treatment is quite consistent with the American advocacy of the open door everywhere, all over the world. It has its advantages, it has its elements of fairness and justice.

But the truth is, so far as America is concerned—and it likewise applies to most of the great commercial exporting nations—there are characteristic national products which may be discriminated against greatly to the disadvantage of this and other important exporting countries unless a proper provision is made for the protection of markets already established.

Under a former treaty, the United States was a large exporter of so-called oleo oil to Turkey. Under the new treaty, with unconditional most-favored-nation treatment, of course Turkey had to extend to the United States the same privileges that it extended to any other nation, but it happened that no other country had a product exactly like oleo oil.

While many of them have products similar

in character, they are not to be described as this characteristic American product. The result has been that an export of very substantial value to this country has been shut out of those markets, while products similar in character, and competitive, still have the opportunity to be admitted.

In the British treaty with Germany, lately concluded, negotiated almost during the same period during which ours was negotiated, Great Britain had no hesitation, while accepting the principle of unconditional most-favored-nation treatment, of at the same time putting certain provisions and restrictions in her treaty. It was agreed that the limitation of import licenses, and similar restrictions, should be abolished within six months, and likewise that there should be no resort to prohibitive tariffs that applied specifically to British products, and thereby discriminated against British products.

It is some such provision as that in our future treaties that demands your interest.

It is perhaps proper to summarize, briefly,

the recommendations on this particular subject. They are as follows:

1. That the general principle of unqualified most-favored-nation treatment be retained as the basic principle of our commercial treaty structure.

2. That frankly recognizing its limitations, provisions be inserted in future commercial treaties protecting American products from discrimination through tariff classifications and import restriction.

3. That constant effort be made to induce foreign countries to modify prohibitive duties, and to secure for our products favorable treatment in the tariffs of the world.

4. That as an aid in securing favorable tariff treatment for American exports, a policy of tariff bargaining be adopted, and the power to negotiate agreements lowering duties on certain products within limits be vested in the Executive branch of the Government.

Today's Treaties Important

PERHAPS I should say, in passing, that the authority referred to in the fourth recommendation exists under present circumstances under the provisions of our last tariff act, and the Executive has considerable power and latitude to exercise authority in that particular direction.

Of course, I am sure that all who are thoughtful of this question of the future development of the United States of America in the world at large realize that the matters of treaties and tariffs and transportation are mixed up in many directions. This matter of definite treaty policy is of very much greater importance at the present time, under the conditions which now exist in the world, than it may be eight or ten years from now, or what it was ten or fifteen years ago. For as a result of the war, and the intense nationalism which followed it, in all of the new countries and in many of the old nations, rather extraordinary tariff walls have been erected. All kinds of discriminations and limitations upon the freedom of trade have been imposed.

Out of the experience of the last two or three years, certainly some of the smaller nations and, to an extent, some of those which may be classed as among the leaders of the world commercially, are coming to learn that progress is not coming out of that condition, and that there must be modifications in many directions. It is fair to presume, therefore, that the next five or six years will see rather active negotiation and bargaining, so far as tariffs and restrictions are concerned, along the line of accommodations, in the effort that must necessarily be made to restore the commerce and production of the world as a whole.

We therefore believe that a very direct and distinct declaration of American fundamental treaty policy in this respect is very important within the next year or so.

Passing from the field of international policies which are concerned directly with very practical things, like treaties, export trade, and shipping, it is my duty to direct your attention, as I explained at the outset, to the problem involved, which has been before us so long, with reference to proposed American adhesion to the World Court.

Your committee has reviewed and summarized and brought up to date the report placed before this body a year ago, and its recommendation is that the Chamber now definitely, emphatically, unequivocally reiterate the position it has always taken with reference to this question, to wit, that the history of the United States for years has chronicled the persistent effort of our people

to promote the ideals of an international world court.

For years we led the world in this demand, and yet, when such a court is established, and is functioning successfully, unfortunately, because of circumstances with which you are all familiar, we hesitate and falter, and fail to act, when our action cannot be without the greatest significance and greatest value in re-establishing peace and tranquillity in the world.

The appeal of your committee, embodied in the resolution which we have sent along to the Board and to the Resolutions Committee, is that we support and uphold the advocacy of this project of the late President Harding; of our honored recent Secretary of State, Charles E. Hughes, and of our present Executive, Calvin Coolidge.

Certainly there is no group or class among our people who have a greater stake in peace and that prosperity which is dependent upon peace than the business men of the United States. Without any possibility of misinterpretation or misunderstanding so far as our attitude is concerned, we should again declare ourselves on this subject, and that, returning to our homes, with action pending upon it in the halls of Congress next December, we make clear to our representatives, and direct the attention of our people to, the necessity of disposing of this great project without further delay. An understanding of facts is quite as important as securing the facts.

So our committee wishes to suggest to you that with these problems pressing upon us from every direction, and with our belief that they are likely to come in quick succession in the next two or three years, it would be a great aid to the investigations and the studies of your committee on this subject, a great aid to the business men of the Nation as a whole, and, indeed, to the Nation itself, if all of our organizations, so far as possible, would select small groups of competent men to give their attention to specific studies of international policies, to which we must turn our attention without very great delay.

Beginning of an Epoch

WE FEEL that it is especially important that these questions should be approached by our business men, and by the Nation as a whole, not from the standpoint of partisan politics, but from the angle of absolutely impartial consideration of the truth and the facts. One of the greatest menaces to a proper development of the foreign policy of the United States in this critical period in our history—for we must realize that the United States is at the beginning of another great epoch in its evolution—one of the greatest menaces we face is our constitutional requirement that treaties must be ratified by a two-thirds vote of the Senate.

So long as that provision exists, you cannot have partisan consideration of international policies, and establish sound policies. When will any party, no matter how overwhelming its national support may seem to be, command a two-thirds vote of the United States Senate? And even if it did have a two-thirds political complexion of the Senate, with such an overwhelming majority, under what circumstances could it get solidarity of action? Our experience is all in the other direction.

All of you are familiar with the new encouragement which the world has received, and the impetus which commerce and investment generally have received, from the establishment of the so-called Dawes Plan. We all take a justifiable pride in the constructive help which Americans, American business men, were able to give in the evolution of

that plan, and I believe all of us feel a special thrill in the fact that two of our own directors and officers, Mr. Owen D. Young and Mr. Henry M. Robinson, were among the most useful contributors towards the evolution of that plan.

But, as they have tried to make clear repeatedly, the Dawes Plan, after all, is but a beginning. It must be followed by other constructive steps, if we are to see its full fruition, and if it is to function as usefully as we all hope it will.

Among the problems presented by the evolution of the Dawes Plan, is that of transferring the accumulation of surpluses as a result of German export operations, so that those surpluses may be made available to the allied nations. The curious problem that has developed out of this consideration of inter-allied debts and German reparations, particularly during the past five or six years, has been the problem of transferring gold balances across frontiers after they are accumulated, without destroying the currency basis of the countries involved or disrupting their currencies and their financial affairs.

The World's Great Problem

TODAY the problem of German transfers becomes an insistent and important one, and the extent to which that may be in turn complicated with the problem of clearing the international debts is one which as yet cannot be forecast.

Yet these two things are of vital consequence to American prosperity. No one can look back on the figures of our foreign trade, or can analyze the impetus which was given to our own domestic commerce in the last six months of 1924, after the Dawes Plan was started on its way, after Germany had been given new financial strength and was able to call upon the raw-material markets of the world—no one can study those figures without realizing how important it is to us, as well as to the world at large, that stability of conditions, sound finance, balanced budgets, sound politics, shall be restored to the world as quickly as possible.

The really great problem of the world at large at the moment is that of expanding and developing, of restoring not only to a basis comparable to that of 1913 and before, the total volume of the world's commerce, but of carrying it far beyond that. And that must be accomplished, if debts are to be cleared fully without undue burdens, and reparations are to be paid, without arousing such social and political disturbances in the countries affected as to give continual instability of government and cabinets.

And any thoughtful man who visualizes the America of the future, must see that in the next 20 to 50 years America is certain to become the great capital-investing country of the world, because the resources lie in our hands to such a great extent, and they must be employed not only at home, but abroad.

To us, it is a matter of special interest that peace, tranquillity, security, and sound policies shall characterize the acts of governments everywhere.

Our interest is not that of a nation apart. It is that of one which is in every respect one of the family of nations, and surely our effort should be, with the responsibilities that rest upon us, with some vision of the America of the future, consistent with the idealism which all of us wish to maintain, support, and advance, that we should give most careful thought to these great questions, truly as much domestic as they are international, to the end that we shall be prepared to express sound, just and fair opinions.

Congress, a Defense from the Inside

By SAMUEL E. WINSLOW

Formerly Member of Congress



© UNDERWOOD & UNDERWOOD
Samuel E. Winslow

THE CONGRESS of the United States has been criticized since its foundation and properly so. For several decades unhappy comments, flip-pant censure and ridicule have been expressed freely and with increasing vehemence by our people until now the desirable and possible effectiveness of Con-

gress is impaired. It is not my purpose to review its history but to refer broadly to the present-day situation as involving our national legislators and their constituents.

Unquestionably one of the duties of a member of Congress is to accomplish all possible for the reasonable and immediate interests of his constituents, but that probably was not the underlying idea which led to the make-up of Congress originally. Those who framed the Constitution must have had in mind a department of the government composed of men who would think first of the United States and bring to the consideration of its interests the viewpoints of different localities. If there were wisdom in such original intention there is just as much today—no more, no less, save in proportion to the size of the interests, local or otherwise, which must be served.

Unfortunately, however, far too infrequently the local demands on members of Congress appear to engage their attention and enlist their support to the exclusion of the well-being of the whole.

"I've Studied the Situation"

A CONSIDERATION of some reasons for such a state of affairs is of interest. Early in my own experience as a member of the United States House of Representatives I came to realize that criticism of members of the Senate and House was being made frequently and with abandon. My desire to discover the reason or reasons for this led me to study the subject and I have done so patiently and carefully to this hour. I have time and again heard utterances to the effect that Congress no longer contained brilliant men as in earlier days, and that statesmen were no more.

So far as I have been able to learn from reading and inquiry among those dating back in their knowledge of Congressional activities for a period of half a century, such assertions are unjust. Congress undoubtedly is and has been in recent years composed of members whose average capacity is as great as at any earlier period.

Public business will not permit procedure along the leisurely lines and scholarly methods which, it seems to me, formerly added quite as much luster to those reputed to be statesmen as their views or their legislative performances.

In the early days of our Republic men of scholastic training were comparatively rare and they shone in their communities and throughout the nation if they happened to have nation-wide business to transact. Today

our population is liberally educated and a very large percentage, as compared to the past, are highly trained. Graduates of high institutions of learning, whether generalists or specialists, are found everywhere. This precludes the existence of oracles and so we have more men and women with well trained minds who appear in public service and are competent to consider and act without discrimination as to occupation.

"Why Then This Criticism?"

THESE changes, and many more, have tended to keep the average intellectual life of Congress as high as ever. Why then this criticism? If the proper responsibility of a representative is to work and act for the benefit of the whole, and we find on the contrary that local and particular interests are more powerful than the well-being of the entire nation in the deliberations of Congress, it is quite necessary, as a human consideration, that members of Congress be urged by their constituencies to hold to the average national welfare.

Unfortunately such a public mind is not now controlling. Our Congressional membership is human and is influenced by quite the same considerations as are citizens generally. A man's nature, as a rule, isn't changed through any such experience as being a member of Congress, although as their membership runs on in point of duration they become better informed and more competent to transact the public business—and they would do it better if they were encouraged in practice by the public to follow their real judgment.

When a man is elected to public office and is a worth-while man it is not to be expected that he will regard considerations which actuate the lives and activities of people generally. He doesn't want to be batted around any more than he deserves to be. His proper pride actuates him to insure the approval of his service as manifested by reelection to his position. Other human considerations contribute to his state of mind and to the establishment of a line of procedure.

The oft-time treatment of men in public life, as many people know, is nothing short of scandalous. Powerful professionals make it their business to break down men in public life and quite as frequently in anticipation of an action or a vote on the part of the official as because of some act committed. Things are said with malice and of the propaganda order which not only reflect untruth and unfairly on the official, but often go so far as to cause utterance of remarks and censure, bringing unwarranted sorrow and chagrin even to the wives and children. Nothing flies faster than misrepresentation and unhappily—oh, so unhappily—the casual citizen prefers to believe highly spiced scandal rather than the plainer, more lightly seasoned statement of fact.

So far as I have been able to determine individuals of a constituency of a member of Congress neither hold nor initiate much censure of their representative unless it be through the unavoidable and desirable differences of opinion in respect of the viewpoints of political parties. It is not until the propagandist of one sort or another begins to stir things up that individuals discover that the moon is made of green cheese and that their

long-time respected citizen, at the moment a member of Congress, is a bone-head or a man incapable of appreciating the true inwardness of things.

Once this depreciation of a member of Congress is started within his constituency the propagandist through local representatives and by virtue of this, that or the other influence, keeps it going. Friends from "back home" begin to send in letters and telegrams, trade and commercial organizations "resolve" and transmit by "unanimous vote" of this, that or the other committee or board, and they deluge Congress with these communications, for which as a whole I have very little respect—for the system I haven't any. Two or three members of an executive committee, or a board of directors of a chamber of this or that, vote out resolutions with oft-repeated "whereas" and "therefore be it resolved" and forward them to members of Congress with an accompanying letter to the effect that the resolution was unanimously adopted, although as a matter of fact more often than otherwise the members of the organization never have heard anything about the matter. Such cases have been tested out time and again.

I am in favor of having intelligent and honest expressions of opinion sent to members of Congress from whatever source, whether at home or at a distance, but when this sort of propaganda develops like bacilli overnight it is nothing less than a shame. Members of Congress have all they can do with their office, committee and floor work. For the most part they want to do it and do it well, but if they are to be deluged, as they are time and time again throughout a session, with communications containing nothing but the result of some great propagandist influence they have neither time nor strength to think and to work as they should and as they desire.

"We've Not Gone Backward!"

IN LOOKING over the history of national legislation it would be difficult for anyone to actually point out any Congress which has been particularly bad, and with very few exceptions it would be hard to show that we have moved backward by virtue of laws passed by Congress. When legislation is passed people frequently feel dissatisfied, but generally we have found that the Congressional idea as represented in a law has been a proper one. Congress does not pass everything that is brought before it and it modifies proposals which come to it in a great number of ways constantly.

We have heard much about good men not running for public office. Everybody has as good a chance to determine that as I have. My opinion is, however, that if we want good men to run for and hold office we must give them support of the kind which good men need if they are to continue. We have a great country, with enormous prospects for development. My hope is that more time will be given by our citizens to a study and appreciation of the good qualities of Congress and that the severest censure of all shall come to be meted out to those who would exploit their office and the country at large to gratify their vanities, or such other mental or material undertakings as may seem to them to be of most importance to themselves.

Our Business and World Affairs

IN OUR modern world each nation is inextricably a part of the whole and no nation can prosper long if it attempts to prosper alone.

Europe is on the mend. Her marked and continued forward progress has meant much to the United States. But there are problems still remaining and pressing for solution, if the recovery is to be complete. In the prompt and proper solution of these problems the United States has a definite and direct interest, an interest which touches its own prosperity and its own well-being.

The important rôle of the International Chamber in the solution of these problems and the international importance of its forthcoming Third General Congress at Brussels in June was deeply impressed on the four hundred representative business men in attendance at the annual dinner of the American Committee of the International Chamber, in Washington, at the Hotel Mayflower, on the evening of May 19.

A. C. Bedford, chairman of the Board of the Standard Oil of New Jersey, presided as chairman of the American Committee. He reviewed the steady growth of the Chamber in membership and prestige and outlined the work of the last year, reverting to a few fundamentals of the organization and working of the Chamber. He took occasion to refer to and to correct the misstatement that the Brussels meeting would bring an attack on the American policy of restricting our coasting trade to the American flag.

Norman H. Davis, former Secretary of State, pointed out that "whether we like it or not we cannot any longer disregard world affairs."

Must Have World Policy

THE United States now finds herself actually entangled in the economic affairs of the world and it is more necessary than ever that the people of our country decide on a definite and consistent international policy which shall have as its basis cooperation in a dignified and effective manner to bring about and maintain stable conditions. It is of particular importance that "the United States support every genuine effort on the part of civilization to organization for peace."

Henry M. Robinson, president of the First National Bank of Los Angeles, a member of the Dawes Commission and a director of the International Chamber, spoke of the "two outstanding things in the international world which have happened in the past year and to which important principal contributions have been made by Americans."

He spoke of the effect of the Dawes Plan as finally accepted by Europe and put into operation. This plan foresees the accumulation of the gold-mark surpluses in Germany to go towards reparations payments. How can these deposits in Germany be transferred out of Germany? How can they be converted into currencies acceptable to the creditor countries? Mr. Robinson pointed to a conceivable solution in the idea that Germany should export basic commodities and industrial skill to the undeveloped portions of the globe. In this way Germany could build up favorable trade balances without upsetting the established trade of the world. And German capital goods and industrial skill is a commodity readily assimilable by the backward sections of the world. Thus the problem of transfers would be spread throughout

the whole body of world trade, industry and finance. Such a plan would encourage the economic development of the retarded areas of the earth. Any great project of railway or harbor or other construction in parts of the world where such utilities are needed could be assisted by Germany's exports of capital goods. This would create new fields for American capital to continue the work, and every step in these directions means new trade and better universal standards of living.

Helped Europe's Problems

JULIUS H. BARNES, former president of the Chamber of Commerce of the United States, and the head of the American delegation to the Rome meeting of the International Chamber in 1923, stressed the paramount part that this meeting had played in the developments of the last two years, saying in part:

In Rome, more than two years ago, the American delegation suggested for the approval of the business men of the forty-two countries a declaration of the fundamental policies that alone could solve European problems, largely economic in character, but which by their lack of stable solution were endangering the living standards of three hundred million human beings.

And the two and a half years since intervening have proven not only the soundness of the business judgment which made these declarations, but have proved the adaptability of European people to the formation of public opinion, which by pressure could govern also the official acts of governments. You will remember that the major declaration was that an economic conference of business men, for the solution of these acute European problems resulting from the war, was essential and inevitable. Out of that declaration, pressed by the whole weight of the International Chamber of Commerce, reaching into forty-two countries, there was crystallized in a few months a conviction that here had been suggested the proper method of solution.

It has been publicly stated by Owen Young, himself a director of the National Chamber and a believer in business organization, that to the Rome resolutions was due the formation of public and official opinion which made the Dawes Commission possible. Today peace reigns in Europe as against the chaos of two years ago. Today the great commercial nations of the world have regained the gold standard and world trade has a new confidence and a new stability.

Speaking of the forthcoming meeting of the International Chamber of Commerce, Mr. Barnes said:

If America can go to this conference with a new ideal of international trade, a new conception of the way in which national wealth, individual earning and buying power, may be produced and expanded, then America can appear not as a selfish defender of a fortunate position, but again as the leaders in a new concept of industrial and business objective, which promises more for the peoples of the world than any theory of trade yet evolved.

For instance, if instead of entering the competition for the markets of consumable goods, and by securing those markets through the destruction of home factories dependent on the current consumption of these goods, there can be aroused such a general understanding of the theory of wealth production and the health of industry that business thought and business effort shall be directed along a new channel, then America can appear with a constructive suggestion in Brussels which may be of great significance and promise.

This suggestion occurs to me to be that the productive capacity of debtor nations shall be primarily directed at producing the facilities for wealth creation, rather than the goods for current

consumption. I mean, for instance, that Germany instead of importing American cotton and investing 10 per cent of its finished cost in its own labor, and then pouring that stream of goods into America to undermine American factories and American workmen, should instead devote its energy and its high technique to finding a market in which German iron, German coal and German labor shall represent 90 per cent of the selling cost instead, and that these products shall be of themselves the creators of new wealth, new employment, new earning and buying power in the world.

If, for instance, German energy in this manner should equip new railroads which tap new mines, new forests, new areas of agricultural wealth; or if German energies in this manner should provide the plants which from unused water powers, running to waste for ages in new sections of the world, should provide the energy which enlists human production in new channels—then there would have been a great advance justified from two major aspects. Surely, when 110 million people in the United States have written a new mark for the world to see of what an average man may aspire to possess and use in his living, and when we consider that there are 1,600 million other humans in the world capable of following fast or slow, surely here is a theory of factory production, of international business policies, and of social theory, which will stand the test of the hardest and most practical business sense.

Now if the American delegation can also go to Brussels recognizing that the application of this principle involves also the finding of certain resources of liquid capital for investment abroad; if we may go with the assurance that the national administration and business judgment of America, with its great accumulated reservoir of investment capital, would look with favor on overseas investments which pass the hard test of business analysis and judgment first; and if business organizations here and abroad set themselves to a definite effort along this suggested line, with the assurance that American business organization and American financial channels will encourage the creation of a national investment sentiment in support of the development of facilities of this kind which stand the keenest scrutiny—then we may give to Brussels a new message and a suggestion of a new alternative from that which is so often discussed as the only way to pay international obligations, by the cut-throat competition which destroys whole industries to make a market for foreign goods.

For a Secure Social Order

IF WITH this policy, we succeed in inspiring public conviction throughout the world that the production of wealth, the payment of debts, the enlargement of earning and buying power of new peoples—all depend on a stability of government and on a wise policy of cooperation between government and business, we shall have done much also of hope for a new and more secure social order in the outposts of the world, which so greatly need the influence of industrial and business development written into the living standards and opportunity of their individual people.

Owen D. Young, chairman of the Board of the General Electric Company, and a director of the International Chamber, to whose dominant rôle in the evolution and working of the Dawes Plan Henry M. Robinson, his associate in the work, had previously paid a glowing tribute, spoke informally at the conclusion of the program. His was a plea for understanding. "Let us get the facts and understand them not only from our own point of view but from the other fellow's point of view." A simple formula but one which Mr. Young's own signal contribution to the economic restoration of Europe makes significant.

What About Business in the West?

By CARL R. GRAY

President of the Union Pacific System

BEING a western man, I have often been asked about business conditions and the situation in the west; and it is a natural question. I think, in order to get up-to-date on that matter if we can we ought to consider some of the conditions through which we have gone in the last five years.

The west is fundamentally dependent upon agriculture, and, as you know, agriculture certainly, in some of its phases, has been in a very much depressed condition for the period since about 15 months following the war. Agriculture got its deflation first, and more severely and radically than did any other industry in the country.

In the west there is as yet no industrial situation. Industries are, it is true, springing up and taking form in different parts of the west.

One of the most recent is a large iron blast furnace in the Salt Lake Valley, modern and up-to-date, which marks rather the beginning of an era in that respect.

Have Had Misfortunes

ALONG the fringes of the western coast, aided by the cheaper water transportation, is growing up an industrial country, but, by and large, it is fair to say that our conditions in the west are the reflex of whatever may be, at the time, either the existing condition of the agricultural portion of the population, or at least their potentiality.

So, in addition to the fact that the prices have been practically upon a world basis, with the exception of a few commodities, we have had a series of misfortunes in parts of the west extending over a period of two years. You no doubt know of the hoof-and-mouth disease which affected parts of California; and of the drouth situation, which started in general in central and southern California, and then extended up into the northwestern states, and into practically all of those states north of Arizona and New Mexico, west of the Rockies.

There is a large amount of irrigated lands in the west, ordinarily very dependable in their crops, but winter before last an unprecedented shortage occurred in the snow fall—away below the average of any period of years, with the result that we started in the season last year with depleted reservoirs, and that found its logical result in about one-half a crop in Utah, Idaho, Washington and Oregon.

That was accentuated in two of the states, a great fruit- and vegetable-raising section, by killing frosts, which occurred nearly to the middle of May last year.

The result was that in the states west of the Rockies—I am excluding California, New Mexico and Arizona—there was, in grain, in fruit, and in vegetables, just about half a crop, and of course that is a question only of mathematics.

My friends sometimes ask me why the loading reports on the railroads show so small a decrease, and for the time, at least, do not present a fair criterion as to business conditions. Of course, the answer to that is that the hauls are shorter, and that the commodities are of a lower grade.

I have just completed a three-week trip,

extending all over the northwest. Those conditions which most adversely affected us last year are not present this year. The snow fall last winter exceeded that for many years, and was almost 50 per cent greater than the average of the last ten years. Water storages were all filled, the run-off being exceedingly heavy. There has been no frost in any of those northwestern states in the spring, and we are now past any danger from that source.

The winter last year was very severe, and it did affect certain of the softer of the fruit crops, such as peaches and cherries, but, after all, they represent only a very small proportion of the crops.

Mining Situation Better

WINTER-KILL affected winter wheat, as you know, running all through the western states. That land was very promptly sown to spring wheat and some other crops, and the conditions in those respects are more favorable than usual; but no one can tell, of course, what will be the outcome of the spring-wheat crop in a country essentially a winter-wheat country.

The other industries in the west, besides agriculture, are lumbering and mining. The mining situation, aside from the mining of coal, is better than it has been in half a dozen years. Prices are attractive, operations are conducted pretty generally at full blast. That is true in Utah and Idaho, in Washington and Oregon.

The lumbering operations, while fairly normal, have been a disappointment to those who had great expectations in that respect. The departure of the large operator from the south, the cutting out, as it was considered, the exhaustion of that great yellow pine field, has not proved to be so much of a factor as was expected. In the wake of the large operator has moved the small operator, with the portable mill, and he is reaching into territories which the large operator did not find profitable.

I am satisfied, at least, from the information I have, that that will be a factor which will remain for quite a while, and that the production in the south will continue several years longer than any of us anticipated as long as five years ago.

67 Per Cent of All Timber

THAT, however, is the great potentiality in the three northwestern states, Idaho, Washington and Oregon, and the northern half of California. That represents 67 per cent of all standing timber now left in the United States. It is the point from which, certainly after a very few years, practically all of the timber used in this country must be obtained. There is that element of present worth but of future extraordinary value.

I think the most encouraging thing about the west is the fact that there is occurring a remarkable change in the business relationship, particularly as it affects agricultural products. Up to a very few years ago the population on the Pacific Coast was taken care of by its own production, but the last half dozen years has seen an extraordinary growth on the coast, an extraordinary growth of all the coast cities, particularly those

which are located in Southern California.

So, to a larger and larger extent, they are drawing upon the middle west for their food products, having found that the land in their immediate vicinity can be used to better and more profitable advantage in crops which they themselves ship out.

We are having an exchange of the products of agriculture between those western states, trainloads of cattle from Idaho and trainloads of hogs from Nebraska going into California for a market, something entirely unprecedented, reaching clear back into Nebraska for corn for California. The southwest is becoming more self-contained than it has ever been.

There are all these elements, at the same time, of encouragement in that situation. Yet it is a fair statement to say that the basic industry out there is still in an unsettled condition. We sometimes think of prosperity in the west in terms of crops, in terms of bushels, and really nothing could be farther from the truth than that, because, after all, it is the price and not the number of bushels which is controlling.

Other Encouraging Signs

THERE are other elements which encourage the observer in the west as applied to this agricultural problem. I have said that conditions are still unsettled. After a good many years of association with it, I have no answer for it. I do believe that the farmer has been the most over-advised man on earth, and yet I do believe that business needs to interest itself in the agricultural problem. Sometimes I think business needs to be shown more about agriculture than the farmer needs to be shown about business, and I have been hopeful that this chamber would be able to interest itself in the solution of this problem.

The farmer does not need credit half as much as he needs other things. In fact, it is a singular condition, but the average farmer in the west is borrowing his money at a very much cheaper rate than the rate paid out there by the most substantial business when borrowing money.

The farmer in the west is solving some of his problems. In the states where there is the longest possible average haul, the problem, of course, is to get the products into the smaller compass, so that the relative freight rates will be reduced.

One state out there has gone from less than thirteen cheese factories to over fifty, in two years. They have increased the value of their dairy products in the neighborhood of 400 per cent.

The situation in the west is more fundamentally sound right now than it has been at any time since the war. While business is at a low ebb, and while business men for obvious reasons are discouraged, there never has been a time since the war when the situation was so fundamentally sound, when the banks were in better shape, when credits were better and business enterprises were easier.

So I feel, with those principal elements of danger past, that is, frost and drouth for the irrigated sections, we will, after the beginning of the summer, come into a very much improved general business condition.

Group Meetings Summarized

A Survey of the Different Departments of the National Chamber

Farm, Forest and Coal Mine

AN ENORMOUS demand for raw materials characterizes our industrial era, and problems of the widest social, economic and political significance have developed in connection with the industries producing our basic raw materials, such as agriculture, lumber, coal, mining, water power, oil, etc. From this wide range of problems, four outstanding subjects were considered at the Group Meeting of the Natural Resources Production Department—"Agricultural Selling Cooperatives," "The Lumber Industry," "The Coal Situation" and "Corporation or Chain Farming."

Preceding the addresses, Milton E. Marcuse, Chairman, of Richmond, Virginia, a Director of the Chamber representing the Natural Resources Department on the Board, summarized the Department's principal activities during the past year: the support of the Clarke-McNary Forestry Act, boll-weevil-destruction campaign, cotton production campaign, activities in connection with the Chamber's opposition to the McNary-Haugen price-fixing legislation, Muscle Shoals, the general coal situation, Kansas City Conference of agricultural representatives of Chambers of Commerce, survey of agricultural activities of Chambers of Commerce and business organizations, publication of reports on "The Cotton Situation," and "Revision of Metal Mining Laws."

"The average American business man may be approached with complete confidence on any proposition which is sound in morals and sound in finance; and when, in addition, it permits of an opportunity to serve a patriotic purpose, his reaction is certain." With these words Judge Robert W. Bingham formally introduced his subject of cooperative marketing of agricultural products.

Began Sixty Years Ago

"SIXTY years ago Denmark was perhaps the poorest country in Europe. The growers began to adopt the cooperating marketing system as a means of relief from their impoverished condition. Today every agricultural product of Denmark is marketed cooperatively, and from the poorest level it has reached the highest level among European nations in the average prosperity of its population.

"About twenty years ago the fruit growers of California found themselves in as helpless a condition as the Danes had been at their worst stage, and here began the experiments in cooperative marketing which have supplied the experience and the principles upon which the present great structure has been built.

"In 1921, Mr. Aaron Sapiro, who had become the greatest expert on cooperative marketing in this country, prepared the draft of a law which since has been placed upon the statute books of thirty-seven states—a record not equaled even by such former record-breakers as the Negotiable Instruments Act and the Uniform Sales Act. Moreover, this law has been uniformly upheld by the courts throughout the whole country, and has been approved by the Supreme Courts of Kansas, Kentucky, Minnesota, Missouri, North Carolina, Texas and Wisconsin. The legal status, then, of cooperatives may be said to be estab-

lished, and every phase of organization and contracts sustained by the courts.

"In January, 1921, the growers of Burley tobacco dumped their crop on the market and most of it was sold at prices varying from a quarter of a cent to two cents a pound. The following May the very same tobacco was bringing an average of eighteen cents a pound. But the man who produced it received none of this benefit. The Burley area was financially prostrated.

"As a result of this situation the Burley Association, which now has a membership of 107,000 growers, covering parts of Kentucky, West Virginia, Ohio, Indiana, Missouri, Texas and Tennessee, was formed. And the next crop was sold at an average price of 23 cents a pound.

Protecting the Farmer

"THROUGH these cooperatives the farmer is learning sound economics and he is being armed against the wiles of the cheap demagogue politician. All of this is going into the fabric of our country to stabilize it, to strengthen and to improve it. Where we aid in this movement we contribute to the essential welfare and progress of our country."

John W. Blodgett, of the Blodgett Company, Limited, of Grand Rapids, Mich., speaking on "The Lumber Industry" said that it is consuming its vital energies and resources through the unwise spur of excessive taxation, through competition with ineffective units of production, of distribution and, in large part, by wasteful utilization by the consuming public of the finished product.

Small portable mills representing small investment and little overhead, paying practically no taxes, are outstanding offenders against efficient conservation. They frequently work on tracts of young, cheap, second-growth timber, which should be allowed to mature. They are frequently without dry kilns, planing mills, box factories, lath mills or other facilities for best utilization.

Turning to remedial measures, Mr. Blodgett mentioned the national lumber-standardization movement and called upon the technical advisers of the public, the architects and engineers, to assist in adoption and use of these standards. The industry is also earnestly engaged in the correction of the evils of poor merchandizing methods on the part of both producer and distributor caused by the distance from markets and the great number of producing units.

"It is when we approach the third cause of waste, namely, overproduction that we are up against a real problem.

"I have recent information from owners that two large sawmill plants now under construction are being built solely through the necessity of more rapid realization to meet, and to escape, the increasing taxation. These men all admit that there is too much production, but hope to squeeze through by reason of the high quality of timber, and better manufacturing and marketing practices.

"Has not the time arrived for the Federal and state governments to approach this matter from the standpoint of the general welfare of all the people? Is it not time to find some

substitute for the present form of timber taxation, and permit our stock of standing timber to be drawn upon only as the needs of the people demand?"

"Old King Coal" was described as a very sick monarch by A. C. Dodson, president of Weston, Dodson and Company, Inc., in his address on "The Coal Situation."

"He will survive," said Mr. Dodson, "strong and dependable, years after his rival, 'Fuel Oil' is exhausted and forgotten. In the meantime, however, his suffering is extreme." Mr. Dodson points out that retailer, railroad, banker, investor and consumer are as vitally affected by the ills of the coal industry as are those engaged in it, and that it rested with them to determine the duration and severity of the patient's suffering.

For nine years I have had a close personal experience with Federal and state interference in coal. I can recall no step which has ultimately been of value to the consumer, the employe or the operator. During those years practically every union wage settlement has been dictated by Federal or state authorities, and the result has been always upward. While the union operator has been the chief sufferer, the nonunion operator has not escaped and Mr. Dodson believes that if a remedy is to be found, all the operators must help each other, "factional differences must be put aside, what are now bitter regional feuds must become friendly rivalries. . . . The union operator cannot expect the nonunion operator to fight his battles, and bitter experience has taught him not to sign an inflexible wage contract again."

On the assumption that the average American farmer is an inefficient producer and that the corporate type of organization is best for all kinds of business, many business men who are unfamiliar with modern agriculture are very optimistic as to the opportunities in corporate farming. Prof. W. L. Myers, of Cornell, took issue in his address. Said he:

Both of these assumptions are wrong. The American farmer is the most efficient food producer that the world has ever known, and there are very decided limitations upon the extent to which corporate management may be applied to agriculture.

Formed on Family Basis

THE MOST efficient farm business unit is small enough so that individual ownership and operation are possible. In New York, an efficient farm business unit usually represents an investment of \$20,000 to \$40,000. Of the labor force of two to four men, more than half is usually contributed by the farmer and his family. The gross sales seldom exceed \$10,000 a year. The capital turnover is slow and cannot be hastened by efficiency experts.

In general, the successful corporate farms are organized on a family-farm basis. They are really corporate-owned aggregations of family farms. The only immediate advantages of corporate organization are in buying and selling, and in their ability to hire skilled specialists. The larger volume of business under the control of the corporation may justify the advertising of its product, in order to develop special markets. Its volume enables it to buy more cheaply. For the same reason, it is able to employ skilled specialists in breeding or disease control.

Getting the Most Out of Building

THE Civic Development Group meeting started by considering attempts by local construction groups to solve their problems through cooperative effort. The cause of some difficulties was found to lie further back—in the land upon which buildings are erected—and it was pointed out that the most economic use of land is facilitated by proper zoning regulations. Economic use of land benefits business generally, but the greatest benefit to the community comes from the increase in the number of home-owning citizens.

Dr. John M. Gries, Chief of the Division of Building and Housing of the Department of Commerce, spoke on "The Building Congress—Its Purposes and How It Is Achieving Them in Five Cities." Pointing to the complexity of the building industry, the speaker characterized the Building Congress as an agency for the cooperative solving of local group problems in the construction industry, such as

- (a) Apprentices and apprenticeship training.
- (b) Encouraging better craftsmanship.
- (c) Encouraging better building.
- (d) Stabilization of construction.
- (e) Standardization.
- (f) Building codes.
- (g) Arbitration measures.

Building congresses have been organized in various sections of the country and typical examples are found in New York, Boston, New Jersey, Philadelphia, and Oregon. In New York about 2,500 apprentices have been enrolled in a new training plan affecting seven trades; Boston has studied current practice in securing estimates and awarding contracts; New Jersey has investigated seasonal employment in the building trades; Philadelphia plans to award certificates of craftsmanship each year to architects, engineers, contractors, etc.; Oregon has followed the New York precedent in preparing an arbitration law and has created a "Guild of Building Handicrafts" for recognition and encouragement of good workmanship.

"Building Congresses," Dr. Gries said, "are volunteer organizations, self-governing, composed of all groups interested in construction, attempting to solve local problems. Here we have local self-government in industry—local groups doing constructive work, and regulating themselves to the end that they may eliminate friction and serve the public better."

"Economic Use of Land in Urban Com-

munities" was presented in a forceful address by Thomas Adams, General Director of Plans and Surveys, Regional Plan of New York and Its Environs. Paraphrasing a recent statement of President Coolidge, Mr. Adams pointed out that there is a "Need for concerted, fundamental and courageous consideration of all the questions involved in the development of cities; that the superior efficiency of great cities as business, industrial and agricultural centers is beginning to be doubted; and that these questions reach deeper than the mere superficial problem of getting streams of motor cars moved through city streets."

As instances of uneconomic use of land the speaker cited cases such as the following:

In a parcel of land in 14th Street (New York City), the taxes (plus interest) on four-fifths of the parcel amounted to 107 per cent of the value of the four-fifths. If no allowance were made for improvements the value in 1880 with the actual taxes paid since that date, without interest, would exceed by 4 per cent the value in 1921.

The owner of a parcel on Fifth Avenue (which had increased eleven times in value between 1880 and 1921), paid one-third of the value in taxes and the total cost in 1921 was 91.2 of its value.

A tract of 38 acres at Washington Heights . . . was subdivided in 1891 and sold at public auction. A subway was opened and by 1909 the tract was 51 per cent improved. Increase of value was unusually rapid. The assessed value was \$3,144,300 in 1906, and \$8,996,100 in 1921. All the increment for 41 years was taken by the owners who held the property from 1885 to 1891 and the value in 1891 was 111.6 per cent of the selling price in that year.

The third paper dealing with "Housing in Relation to Citizenship" was presented by Morris Knowles, Civil Engineer and City Planner, of Pittsburgh, Pennsylvania. Mr. Knowles said that in spite of its desirability, statistics show that home-ownership is not on the increase in this country. Some conception of the instability of population in our communities may be obtained from the fact that we are spending \$400,000,000 a year for moving—for transporting people from one home to another. Mr. Knowles said:

The landlord-and-tenant problem is purely an economic relationship and is governed by the basic law of supply and demand. Assuming that our social and cultural welfare demands decent houses, the industry of furnishing homes will follow the economic rule that capital will flow to such industries as are willing to pay a fair return,

based upon the risk involved. More capital, therefore, can be made available for home developments if the financing is extended to securing funds from the great mass of people who now use their money for luxuries or nonessentials. We will then see as many homes built as garages and have more spent in permanent world's goods rather than the rapidly depreciable, fun-loving kind.

The cost of financing home-building may be reduced as the result of the adoption of proper zoning regulations because the added stability of the investment will be reflected in cheaper money and larger percentage of first mortgage. Municipal improvements and public utilities also have an effect upon housing cost and values and there is need for study of this relationship to see if more careful planning and coordination would help to reduce costs.

After the formal addresses had been presented Mr. Lonsdale threw the meeting open for discussion. In reply to a question by S. R. Reed of Chattanooga, Tennessee, Mr. Adams outlined how zoning ordinances are being treated by the courts, emphasizing the point that when ordinances are carefully drafted in conformity with state-enabling acts they are generally sustained in the courts. John Ihlder, Manager of the Civic Development Department, gave further information on this head quoting recent court decisions in California, Massachusetts, Ohio, and Washington, D. C.

J. I. King of Pocatello, Idaho, evoked some laughter when he asked how second-mortgage companies financed their loans successfully; attention was called, in this connection, to the work of the building-and-loan associations in Pennsylvania. Mr. Williams of Scranton, Pennsylvania, described the home-building trust fund of \$100,000 subscribed by members of the Scranton Chamber of Commerce. Under this plan the local banks carry 60 per cent of value of home on first mortgage, the chamber fund advances 20 per cent on second mortgage, and prospective home-owner carries remaining 20 per cent.

On motion of Dr. Herbert Acuff, President of the Knoxville, Tennessee, Chamber of Commerce, a resolution was passed approving "the establishment of additional National Parks by the Federal Government in areas that measure up to the present high standard, so that our people may have the recreational and educational advantages that they afford."

The Federal Reserve and Business

THE GREATER part of the discussion at the Luncheon Meeting of the Finance Group was devoted to the Federal Reserve System. The Federal Reserve banks have now completed the first decade, or one-half of their chartered existence, and the Chamber has instituted a study of the question of recharter, together with an appraisal of current criticisms and proposed amendments to the Act.

The first address was given from the viewpoint of an official of the System, Pierre Jay, chairman of the Board and Federal Reserve Agent of the Federal Reserve Bank of New York.

Col. Leonard P. Ayres, vice-president of the Cleveland Trust Company of Cleveland, Ohio, discussed the general topic from the

viewpoint of a banker, and Mr. George A. Ranney, vice-president and treasurer of the International Harvester Company of Chicago, Illinois, told what the System meant to the business man.

The second section of the program was given over to an address on the United States Board of Tax Appeals, by the chairman of the Board, J. Gilmer Korner. An important feature of this part of the program was the interested discussion of Mr. Korner's paper by the members of the Group and the questions which were asked.

The meeting was presided over by Lewis E. Pierson, Chairman of the Board of the Irving Bank-Columbia Trust Company of New York City.

The creation of the Federal Reserve Sys-

tem, according to Mr. Jay, gave the first opportunity for the development of an American banking policy. He said that it was essentially an American plan, yet compared with the centralized systems of other countries it seemed decentralization. The gold reserves were diverted from the 27,000 individual banks devoting their attention largely to profit making into twelve new institutions, the Federal Reserve Banks, created for the primary purpose of administering their reserves, not for profit, but in the public interest, Mr. Jay explained.

"The principle of local self-government prevails throughout," said Mr. Jay. "While no bank or group can get control of the system, the system itself in no way attempts to control the individual banks which are its

members. A Reserve bank does not say to a member bank what loans it shall or shall not make to its customers. Member banks are as free in all respects as they were before, but the system gives them improved facilities for transacting their customers' business and adds a factor of safety to their operations which they never before enjoyed. In the same way each Reserve bank, in dealing with its member banks, is quite autonomous. No one from Washington or from any other district ever tells a Reserve bank how much or how little it shall lend to a member bank."

In closing Mr. Jay referred to the recent credit which had been arranged by the 12 Federal Reserve banks acting in cooperation through the Federal Reserve bank of New York in favor of the Bank of England.

"In connection with this decision," Mr. Jay explained, "the Bank of England requested Federal Reserve cooperation in a material way. For the reasons I have just indicated we welcomed an opportunity which combined assistance to the Bank of England, our agent and correspondent, with the discharge of our domestic responsibility to the general credit situation. We arranged, in conjunction with other Reserve Banks, to place \$200,000,000 gold at the disposal of the Bank of England for two years, if desired.

He pointed out that prior to the Federal Reserve System banking in this country had three outstanding defects.

First the currency was not elastic and could not expand and contract to fit business needs.

Second, the gold reserve was scattered among the thousands of banks throughout the country; likened by him to a standing army allotted by platoons or companies to towns and hamlets here and there—ineffective in time of invasion unless mobilized and centralized at the points of attack.

Third, credit, like currency, was not of such a character as to properly meet the periodical and seasonal expansion and contraction of trade and industry.

Before the establishment of the system, said Colonel Ayres, the financial panic had become an established American institution, unknown in other countries, but to be expected here as the culmination of every period of exceptional business prosperity. Since the

inception of the system, despite war conditions and the extreme fluctuations in business, there has been no financial panic. Colonel Ayres referred to the system as invaluable in time of national emergency, a greater instrumentality indeed, according to him, for national defense than a well-trained standing army of a million men.

"In the early postwar period," said Mr. Ranney, "business was at first joyously engaged in inflating itself to the neglect of less profitable undertakings. Later, it was busy trying to keep out of the sheriff's hands."

Mr. Ranney said:

The only significant criticism of the Federal Reserve System I have heard from business, including the business of agriculture, is that the system first stimulated inflation and later caused deflation; in fact, that it caused the headlong plunge of farm-product prices that marked the beginning of deflation and of the general business depression of 1920-21.

To get at the facts of this matter, let us begin where the deflation and depression began—that is, in the great farming areas of the west.

The truth is that what the Federal Reserve System did at that time was absolutely sound from the business standpoint. If there is any criticism arising out of that situation that can be fairly aimed at the system, it is that the discount rate was not increased months earlier. Possibly if that had been done the brakes might have been applied more gently and gradually. Be that as it may, the Federal Reserve System rendered a great service to agriculture and to all American business during that period.

I sometimes wonder what would have happened to agriculture and other business in that dark time if we had had no Federal Reserve System to help us down from the peaks of inflation to the level plain of prudence and common sense. I have often thought that if we had been living then under our old banking laws, we would probably have suffered a panic that would have made the panics of 1893 and 1907 look like Sunday-school picnics.

The Federal Reserve System came to the rescue of such banks as could be saved, and so rendered a service of inestimable value to the community; but many hundreds of banks were beyond any pulmotor's power to revive, and they had to go out of business.

That the framers of the Federal Reserve System had the farmers especially in mind, Mr. Ranney said, was clearly shown by the

provisions giving notes issued for agricultural purposes three times the discount period of other eligible paper. Agriculture was not yet fully enjoying the benefits of the Federal Reserve System because there were too few banks in the farming west strong enough to become members. Also country merchants were apparently reluctant to use acceptances for agricultural purposes and thereby relieve their working-capital from the paralyzing burden of open book accounts.

Mr. Korner, who spoke on the service to business of the United States Board of Tax Appeals, has been a member of that Board since its organization, and is now chairman. Mr. Korner pointed out that after the passage of the Sixteenth Amendment and the imposition by the United States of various direct taxes, including the income tax, the administration of the tax law was reposed exclusively within the Treasury Department. Experience developed a feeling upon the part of the tax-paying public that the same officials who administered the tax law could not sit in judgment to review their own acts with that degree of impartiality to which the taxpayer felt he was entitled. The result of this discussion was the establishment of the Board of Tax Appeals by Congress in the Revenue Act of 1924.

Mr. Korner particularly emphasized the fact that the Board of Tax Appeals has no official connection whatever with the Treasury Department. It is a judicial tribunal of limited jurisdiction without access to the records of the Treasury Department; it begins each case de novo and is not influenced or affected by decisions which have been previously made by administrative officials. The Board has no functions to perform in connection with the collection of revenues and hence it is bound by no administrative prejudices or policies. Its concern is to see, on the one hand, that the citizen is not unjustly assessed and on the other hand that in the collection of its just revenues the Government is not unduly delayed.

Mr. Korner closed with a strong plea for cooperation. He pointed out that the reason for the existence of the Board was to secure justice between the individual and the Government and likewise to secure that justice with the minimum delay.

The Merchant Marine Conference

OUR merchant marine and the Merchant Marine Conference now being organized by the National Chamber, the question of Regulation of Motor Common Carriers—particularly those engaged in interstate commerce—and the Problems of Metropolitan Traffic and the opportunity of commercial organizations and other civic groups to cooperate in their solution were the subjects on the program of the group meeting of the Transportation and Communication Department on May 21.

A. L. Humphrey, president, Westinghouse Air Brake Company, Pittsburgh, and chairman of the Advisory Committee of the Transportation and Communication Department, presided.

A. J. Brosseau, president, Mack Trucks, Inc., New York, said that one of the chief obstacles to the establishment on a sound basis of an American Merchant Marine has been the absence of coordinated effort on the part of those interested and those who should be interested. Mr. Brosseau pointed out that in spite of the legislation that has

been passed and of the millions that the Government has expended in building and operating ships, we seem to be little if any nearer to a permanent solution of the merchant-marine problem than we were before the war.

Because of this fact the president and directors of the National Chamber, at the request of a number of business men and shipping executives, are arranging to secure a comprehensive consideration of the problem involved by a widely representative conference of all interests concerned. Mr. Brosseau explained that the program of the conference provides for the appointment of four special committees to consider as many different phases of the problem and report thereon to the conference.

The first committee is to consider the "Relation of the Merchant Marine to American Foreign Trade and the National Defense." This committee, under the chairmanship of Gen. James G. Harbord, president of the Radio Corporation of America and formerly Chief of Staff of the Army, will consider world tonnage and its employment, the chang-

ing tendency in cargo ships from the tramp type to the scheduled cargo liner, the shipping requirements of American foreign trade, including marine insurance, shipping and financial agencies at various ports, and tonnage requirements in connection with naval and military defense in time of war.

The second committee will deal with "Government Administrative and Regulatory Relations to the Shipping Industry." This subject involves a consideration of the supervision of shipping now vested in the Shipping Board, Department of Commerce and the Treasury Department, of the Navigation Laws, including the Seamen's Act, the question of freight rebates and flag alienation. The chairman of this committee is Judge Edwin B. Parker, of Houston, Tex., umpire of the Mixed Claims Commission, United States and Germany.

The third committee, of which Mr. Brosseau is chairman, will deal with the question of "Government Aid to Shipping."

The fourth committee will consider the question of the "Disposal of the Government-owned Ships." This calls for treatment of the

sales policy to be followed in disposing of the ships, charter on operation policy pending sale of the ships to private interests, conversion of motive power from steam to oil-burning engines, and the disposal of unserviceable ships. C. W. Lonsdale, president of the Lonsdale-Simonds-Shields Grain Company of Kansas City, will serve as chairman of this committee.

In the discussion that followed, Emil P. Albrecht, president of the Philadelphia Bourse, expressed the opinion that no subject now before the American people deserves more earnest and thoughtful consideration than the merchant marine, and that the fact that the Chamber of Commerce of the United States has taken steps to give such consideration to the subject is a welcome and reassuring fact.

Homer L. Ferguson, president of the Newport News Shipbuilding and Dry Dock Company, and a former president of the National Chamber, questioned if direct aid would ever be voted by Congress, and in view of that fact, and of the further fact that a merchant marine could not be maintained without government aid of some kind, urged consideration of the policy of discriminating duties followed in the early days of the country when American ships were successful in commerce on the seven seas.

The following resolutions relative to maritime subjects were acted upon:

A resolution offered on behalf of the Atlantic Coast Shipbuilders' Association urging the strict reservation of the coastwise-shipping trade of the United States to American vessels.

A resolution from the United States Shipping Board of the same tenor and effect referred by the Board of Directors to the Transportation and Communication Group Session.

A resolution presented by the American Steamship Owners Association and other organizations which participated in the conference recently held at the invitation of the National Chamber to consider the York-Antwerp Rules of 1924. These rules are designed to regulate the application of the principle of general average to certain maritime losses. The resolution, while approving the rules in principle, expressed the National Chamber's inability to recommend the use of the rules in their present form.

All three of these resolutions were unanimously adopted.

In the absence of W. D. B. Ainey, president of the National Association of Railroad

and Utilities Commissioners, who was prevented by illness from speaking on the Regulation of Motor Common Carriers, John E. Benton, general solicitor of the Association, addressed the meeting on this subject. He said that motor transport for hire, either by private carriers or by common carriers, is a natural phase of the tremendous development of motor transport.

Referring particularly to the motor common carrier, he said that the public is affected by considerations of safety and convenience in the use of the public highways because of the great size and width of motor carriers and is also affected because of the adverse result of motor-carrier operations on the earnings of electric and steam railroads. He also felt that the motor carriers are not paying their fair share of the cost of building and maintaining the highways.

T. R. Dahl, vice-president of the White Company, expressed the dissent of the motor industry from the views of Mr. Benton as to motor vehicles for hire not paying their fair share of the highway costs and having an adverse effect on the earnings of electric railroads and steam railroads.

He said that it is generally agreed that it is the private automobile rather than the bus that has reduced the earnings of the electric railways where they have been reduced and pointed out that some of the steam railroads themselves have inaugurated motor service to replace certain forms of rail service because the motor is the more economical for those services.

The motor industry itself strongly favors regulation of the motor common carrier, said Mr. Dahl, and he felt as Mr. Benton did that the state regulation had been effective until the recent decisions of the United States Supreme Court.

Harland Bartholomew, Engineer of the City Plan Commission of St. Louis, discussed metropolitan traffic problems. He pointed to three conditions, the tremendous growth of motor traffic, the throwing of this traffic on street facilities quite inadequate for it, and the failure to recognize the relationship between street capacity and use of abutting property as the primary causes for congestion. He cited the case of New York, which, despite the expenditure of large sums for elevated railroads and subways, has greater congestion now than ever before. He stated that there must be recognition that the growth of cities will be unbalanced unless controlled, that

there must be an adequate and comprehensive street plan and that there must be adequate traffic control on the streets. Traffic congestion occurs in only a relatively small number of places in each city, where there is excessive concentration. More consideration must therefore be given to the use of land to avoid this concentration. There must be a regional plan and a broad zoning plan. The entire metropolitan area should be organized.

Principles that should be embodied in the design of a street system should include by-pass routes for through traffic, a gridiron of wide streets for all centers of business, wide streets connecting these centers, by-passes around the centers, parallel streets for the segregation of different kinds of traffic, provision of wide enough roadways for four lanes of traffic on important streets, separation of grades at intersections of heavy traffic, elimination of jogs and dead ends, widening of throats at important intersections and provision of adequate pavements on all important thoroughfares. Multiple-level streets, in the opinion of Mr. Bartholomew, are not likely to be justified except in a very small number of points in some of the largest cities.

Besides three resolutions on Merchant Marine subjects already referred to, five resolutions were considered by the meeting and, after discussion and amendment, were adopted for the consideration of the Board of Directors and Resolutions Committee of the Annual Meeting. These include (1) reiteration of the Chamber's previous position relative to railroad legislation and a request that the President of the National Chamber keep closely in touch with developments in these matters through expression at the proper time regarding consolidation and railroad-labor relations; (2) a resolution that the Government should refrain from participation in industry; (3) a resolution that Congress should make a careful study of international travel by air and enact whatever legislation is necessary to enable America to develop a merchant marine in the air; (4) a resolution urging the organization of a government bureau of aeronautics, provision of adequate landing fields and the further development of the air mail; and (5) a resolution recommending that the Interstate Commerce Commission be authorized to grant certificates of convenience and necessity to motor common carriers in interstate commerce in accordance with the plan previously outlined by Mr. Dahl in his discussion of the subject.

The Human Factor in Production

THE AVOIDABLE wastes in industry, largely chargeable to management, take many forms, not the least of which is the faulty control exercised over the human element. Two phases of this problem were presented at the Group Meeting of the Department of Manufacture. W. C. Dickerman, vice-president in charge of Operations, American Car and Foundry Company, spoke on "Incentives for Individual Production." According to Mr. Dickerman:

One of industry's greatest problems is the stimulation of the man-power element. Man, being individual, and controlling within himself his motions and motives, can, at will, give himself unreservedly or restrain himself markedly. Leaders of industry desire the man's unrestrained efforts and have for centuries addressed themselves to the cultivation of what may be termed "The Will to Work."

It is only within the last century or so, said Mr. Dickerman, that the incentives for

individual production have been anything more than physical abuses. Mr. Dickerman then summed up present-day conditions:

In contrast with the incentives of the first five thousand years, we find today an approach directed to the physical, intellectual and financial development of the workman; a full appreciation of the mutual obligation of the employer and employee, and a desire to improve the interests of the workman by methods sometimes paternalistic and frequently amazingly generous. These methods may be roughly grouped under the following headings: Thrift Plans, Mutual Benefit Associations, Pensions, Piece-work Systems and the Step-up-Bonus, Production Bonus, Profit Sharing, Stock Participation Plans and Industrial Representation.

Thrift plans are intended to promote savings, to provide for unforeseen emergencies and to make provisions for family deaths or other adversity. The plans vary with human ingenuity. Sometimes the plan is compulsory, most frequently permissive, and promoted by plant propa-

ganda. In many instances the management supplements the employee's savings most generously. As the margin between poverty and comfort with the average workman is surprisingly small, the peace of mind resulting from accumulated savings is evident—a better workman must result.

Mutual Benefit Associations have had a marked growth in the last twenty-five years and failures have been comparatively few. They are three kinds: First, those administered solely by the employees; second, those administered jointly; and third, those administered by the employer. There is apparently little choice save that when the company is large and the membership inclusive, it is better for the company to administer as it should bring to the operations of the association more experience in management. With the benefit association, the individual incentive is again indirect and arises from the assurance of a properly protected future.

A properly devised pension system should: Promote individual efficiency, reduce labor turnover, attract superior workmen and increase thrift.

Few have accomplished these purposes. This may be due to the youthfulness of the plan. A number have had to be revised with a reduction in pensions paid. It is not improbable that as time passes they will more nearly accomplish their purpose. At present they do give aid to those derelicts, who, having given their fruitful days to industry, find themselves without means of support. By compulsory retirement they take from active work the man who, through age disabilities, has become a menace to himself and to his fellow-workmen.

Turning then from the more or less indirect incentives, the speaker discussed those having a direct appeal. Chief among these is the piece-work system, which has been in vogue for many years:

The piece-work system probably will always remain the prime incentive; easily understood, it stimulates the individual, protected by guarantees as to the sanctity of the rate, the rewards are evident to all.

Where preceded by accurate time studies, assuring the continuity of its rates, it gives an absolute

control of cost and to the workman an opportunity to exert himself to the utmost, with the knowledge that he will receive his full reward. In cases where the continuity of operations has become unbalanced or where a large production is essential, a piece-work system, combined with a generous step-up bonus, will give marked results. A step-up bonus may be described as premium paid for output above normal and in proportion to the increase.

We have used effectively what is known as a Production Bonus. This plan is based on the conception that output and cost are primarily dependent upon leadership. It is confined, therefore, to the executive personnel of the plant. The Production Bonus divides with the executive personnel the increased savings resulting from a more than normal output.

A Profit-sharing Plan has been defined as "the announced plan to set aside or divide a fixed percentage of the net profits of the concern, for the account of the employees, according to some predetermined plan." In 1923 it was estimated that there were less than one hundred real profit-sharing plans operating in the United States.

Normally the demand for efficiency is greatest

where business conditions are most competitive and it is here that profit-sharing loses much of its effectiveness, because it follows, as a natural sequence, that profits are slight, or nonexistent where competitive conditions prevail.

Stock Participation Plans are the growth of the last ten years. They are most effective in companies where stable earnings are reasonably well assured and where the administrative personnel is large in number. The average workman has little knowledge of the influences that effect the rise or fall of capital stock values and is apt to be little stimulated by the small income return that he receives. There are two methods of distribution in vogue. In one the employee pays for his stock either in full or in part from wages. In the other the stock is given as a bonus or bonus money is taken in payment for stock. Both necessitate a scheme for financing with the attendant difficulties in case of discharge or separation. Both assume the risk of the business and depend on its financial success for their greatest benefit. Stock distribution plans are also least effective when competition is keenest. Great care must be taken to see that the promotion efforts are not too roscate.

Foreign Competition

THE FACT that foreign competition was being felt by American exporters in various markets of the world, but that there was no reason for considering that competition as beyond the power of American houses to meet, was the dominant note of the Foreign Commerce Group Session, which was presided over by William C. Redfield, former Secretary of Commerce.

The discussion covered three main foreign trade areas: Europe and the Near East; Latin America; and the Far East and Australia. In introducing the subject Mr. Redfield said in part:

The United States of America never needed its export trade as much as it is surely to need it in the coming years and it has never found as great difficulty in getting it as it is going to find in the coming years. The problem is one of something we must have—must have—and something which is going to be increasingly hard to get. It is obvious, of course, why both things are true.

I remember distinctly seeing during the war, in one great building, 18,000 men and women busy on the finishing operations of artillery alone, and that great plant must either stop or go on. Many of them are so placed that their only salvation is to go on, for to wipe out such an amount of invested capital is more than many concerns can bear. Those of us who were in the export trade long years before the war knew perfectly well then that the markets of the United States, taken at their best, were never large enough to occupy continuously the entire industrial output of the United States running full-time. All of us had to look elsewhere for that which would fill the gap when American purchases fell off.

Today we face that same problem multiplied by the fact that our plants, not only in bulk but in productive capacity, are vastly larger than they were when that problem was severely felt. Today America must have foreign markets if she is to keep her industries moving—I presume it is safe to say, moving two-thirds of the time full-time.

Francois de St. Phalle, vice-president of the Baldwin Locomotive Works, Philadelphia, discussing competition in Europe and the Near East, stated that, of course, we will have competition, but that he could see nothing in that competition that need worry us very greatly. His reasons for this belief are in part given in the following quotation from his remarks:

The statistics of the Government Department of Commerce show primarily that the United

States today enjoys, in competition with Europe, by far the largest trade that it ever had. In money it is running away ahead of any pre-war figures, and also in volume of goods. That is, if you discount from the money figures the depreciation in gold today, even then we have a very much larger export trade than this country has ever had, barring the years of the war. No nation of Europe is anywhere near that condition. All of them in actual goods are away behind the pre-war totals, and the figure that we now enjoy is not falling back, but on the contrary it is increasing. That indicates, to my mind, in a conclusive manner that there is nothing deadly in European competition. However, European competition is there, naturally.

The basic difference between American export and European export on the one hand, the advantage of the European exporter, as you all know, is his cheaper labor. The American has had more expensive labor right along, and has found, based on the size of the country and the size of the home market, permitting specialization and very large plants, methods of production which will in most cases or in many cases quite balance the difference in labor.

Wages are said to be low. They are low. They are five times less than they are here, in many countries, and yet the same phenomenon prevails in a lesser degree—that the moment anybody in Europe improves to any degree, he finds himself forced to share with his working men the profits in that business; and as fast as Europe will improve her methods, I feel, we will find a corresponding increase in wages; so that again I can see nothing particularly damaging in the competition.

The reason why wages are so low in many lines of manufacture is because the efficiency is also low; not always because the people are less able but because the basic condition is not such that they can have the same efficiency of manufacture. If size and efficiency of production increase in Europe, in every case I have been able to observe there is slowly an adjustment whereby the men, through strikes or in a friendly way, succeed in obtaining from their employer a reasonable share of the profits; and as that takes place there can be nothing particularly dangerous in European competition.

I do not want to minimize the fact that there is such competition. In fact, many of us in certain lines of business would be foolish to attempt sales in Europe at all. There are many things that can be made just as cheaply in Europe as anywhere—for instance, ships. A steamer does not lend itself to gross production, at least at the

present time; and I would say there is no hope whatsoever of selling ships in Europe, because, individually built in European yards, they can be built more or less corresponding to the greater cheapness of European labor; but that is not what we have to depend on. All we have to depend on is what God has given us, plus what we have produced based on the size of the country and the immensity of our markets.

Competition in the Latin-American region was discussed by William E. Peck, of William E. Peck & Co., New York, and a member of the Foreign Commerce Department Advisory Committee of the National Chamber. Mr. Peck was of the opinion that competition was felt most in lines other than the following: Raw products on which we have a monopoly, or highly specialized manufactured goods, or largely advertised trade-marked specialties. The principal foreign competition, he stated, appeared in four different ways: First, lower prices; second, granting of longer credits; third, cheapening of material; and fourth, development of local industries. The first and the last are the most serious factors he said.

He further discussed the situation as follows:

As to the first topic, lower prices, in the case of many of our manufacturers of fine hardware, tools, and machinery, the superior quality of their product has been so thoroughly established in foreign markets, and the merchandise has become so well and favorably known to the ultimate consumer, that nothing short of a very decided difference in price will wean the customer from an article which he knows by experience will give 100 per cent satisfaction and find a ready sale.

Unfortunately, the number of manufacturers who are in this favored position is small compared with the much greater volume of business in the general run of commodities. It seems self-evident that as long as we require a high tariff to protect our manufacturers against the importation of German goods into this market, we are unable to compete with them in neutral markets where the duties and expenses paid are the same on both.

The second hindrance is the granting of longer credits. This also is a serious factor; and I know of several large orders for the installation of complete public utilities, mining outfits, and sugar mills which have been lost to this country because German producers have been willing to

allow payments extending over periods of five years; whereas the American limit was nearer two years.

The third topic was the cheapening of material. This is a troublesome form of competition, and may seriously affect some classes of manufactured goods. It happens frequently that standard American goods have been copied and cheapened by European manufacturers, who have thus secured the business entirely on a question of price versus quality, especially in a market like Brazil, where price is the all-important factor.

The fourth and last trouble that we have, and the worst of all to meet, is that of the competition of local industries which have been developed so greatly of late, especially in Brazil and the Argentine. A great deal of trade has been lost since the close of the war because of the development of local industries, especially in Argentina and Brazil, where these industries have followed the example of the United States, and have demanded and received protection high enough to shut out all importation of competing goods.

Foodstuffs, clothing, tanned leathers, shoes, hats, textiles of cotton, wool, linen, jute, and silk, furniture, hardware, and many other lines are being turned out in increasing quantities, and in a number of these commodities the local production covers in excess of 90 per cent of the entire consumption.

George E. Anderson, former Consul General at Hongkong, presented the facts regarding foreign competition in the Far East and Australia. Some of the important points brought out by Mr. Anderson were as follows:

So far as present-day and ordinary competition in the Far East is concerned, we have demonstrated and are still demonstrating that we can sell goods against the world. We have in the Far East less reason to fear ordinary competition than we have to give regard to those things which prevent the development of new trade.

Our real competition, the competition which means most to us, comes from Europe. It is distinctly constructive competition, a struggle between Europe and America as to which shall do the most in introducing Occidental ideas as well as commodities into Oriental life.

Before the war our chief competitors in this field were Great Britain and Germany. France, Belgium, Italy and the component parts of the old Austrian Empire shipped goods to the Far East in considerable volume, but they were goods largely peculiar to those countries which came into less direct competition with American products. Doubtless trade in the future will be along similar lines.

American competitive power in the Orient de-

pends largely upon industrial and financial conditions in Europe. Germany presents the greatest problem. Before the war, German trade in the Far East, especially in highly manufactured products, showed material increases from year to year, largely as the result of the direct assistance of the German Government in the way of subsidies, rebates in freight, and through export trade combinations sponsored by the government. Its manufacturing costs were low, and its shipping services were all that could be desired. What the situation will be when Germany has somewhat recovered economically remains to be seen.

Germany has again secured some of its antebellum trade in the Orient, and has been especially successful in the past few months. There are some important points in Germany's favor. Most German industries have secured splendid new equipment as a result of building done during the decline, and fall of the mark. The German industries without exception are now equipped with the latest machinery, are in a position to take advantage of the latest and most improved processes, and are in all respects probably the most modern in the world; and we know the necessities that Germany faces in the way of securing foreign business.

On the other hand, wages in Germany are from 40 to 60 per cent above what they were before the war in money paid, and are higher in other respects in the way of working conditions exacted. German raw-material costs will be much higher in the future. Much of the advantage in raw materials formerly possessed by Germany is now possessed by someone else. Raw materials imported by Germany must cost at least as much as they cost anyone else.

I must confess that to me the prospect of German competition abroad when reparations payments really commence to be exacted—which is not the case now—is not so much the danger of a flood of German goods dumped abroad in payment of reparations as it is a question as to whether Germany can really compete abroad in volume enough and at enough profit to meet reparations payments. Doubtless a balance will be struck between the two, between the necessity for exports and the ability to export under such taxation; but in any event German industry will bear a burden which will render competition in a free field like the Orient difficult in the highest degree.

As to British competition, I think they are much more worried than we are. Wages in Great Britain are high, and they show no sign of coming down. Unemployment is rife, and it means a constant burden upon industry. Production costs as compared with pre-war standards have increased in far greater proportion than they have in the United States, while factory equipment in many cases has deteriorated. It is highly significant that within the past month several British

shipping firms have placed contracts for the construction of new vessels with Dutch and even German shipyards because British yards were unable to meet continental prices, even with a considerable bonus in some cases.

Unemployment doles alone cost the government between two hundred and two hundred and fifty million dollars a year, which industry largely pays. Even the old-established British banks, which have controlled business in the Far East for generations, complain of American competition. The fact is that whatever theories may be entertained, we have steadily gained upon British competitors in actual trade in the post-war period in spite of the fact that Great Britain never needed foreign trade as it needs it now.

Trade returns in the Far East since the war speak for themselves. Competition anywhere in its broadest application is largely a matter of economic soundness; and while the United States has much to contend with in high wages and exacting industrial conditions, there is no country in the world today which has the combination of raw materials or the ability to get them to advantage, efficient labor, workable fiscal policy, and sound finance that the United States now possesses.

No one can expect a steady demand for anything which is not suitable for Far Eastern conditions; but in that great range of standard modern products which America's factories are turning out at such a stupendous rate, there is a market in all the Far East which is being widened and strengthened with every passing year.

That the rivalry for this trade, both present and prospective, is keen and even bitter, is only natural; but no reasonable business man can compare the record of even the present unfavorable year with the record of 10 or 20 years ago without a realization that the new "call of the East" is a call of enormous opportunity.

A feature of the Foreign Commerce Group Session program was the discussion of each of the three speeches by officials from the Government Bureau of Foreign and Domestic Commerce, each official being directly in touch with the Bureau's fund of information bearing upon the trade areas in question. Samuel H. Cross, chief of the European Division, led the discussion of Mr. St. Phalle's speech; Charles A. McQueen, formerly chief of the Latin-American Division of the Bureau, and also formerly Commercial Attaché at Chile, and now with the Finance Division of the Bureau, discussed Mr. Peck's speech. Mr. Anderson's talk was taken up by Frederick E. Lee, specialist in Far Eastern Finance with the Bureau.

The Policy-holders' Share

AT THE Insurance Group meeting Stacey W. Wade, Insurance Commissioner for North Carolina, in speaking of the Responsibilities of Policy-holders in connection with fire insurance and fire prevention pointed out that policy-holders have four outstanding responsibilities to face.

First, the policy-holder should know what his policy contains. If the policy-holder will study the policy he will learn many things of value to him, among them being these:

1. That the terms of the policy contract are as binding upon him as they are upon the company. Many are the policy-holders who have had a rude awakening that would not have been his if he had examined his contract before, instead of waiting until after, the fire.

2. That fire insurance, strictly speaking, is personal insurance and not property insurance; while the policy mentions the property, it insures only the person it interests.

3. That fire-insurance contracts do not contemplate that the insured shall make a profit in case of fire, but only that he shall be compensated for his actual loss, not exceeding the amount of his insurance.

4. That it is the insurable interest that lifts fire insurance from the level of a gambling hazard to that of a legal transaction and that inaccuracy in declaring interest, title or possession, will void his policy.

Second, the policy-holder has a heavy burden of responsibility in the working out of the problem of fire prevention.

The speaker pointed out that fire prevention is closely related to fire-insurance premium rates. On account of this fact he believed that the individual policy-holder has a direct pecuniary interest in the work of fire prevention and can do real fire-prevention service in his own interest by first caring for the fire hazards on his own property.

The Commissioner pointed out the policy-holder has a third responsibility to bear. He said "the policy-holder is responsible for the conditions under which fire-insurance companies must operate, the laws that govern their operations and the burdens that are thrust upon them."

The speaker emphasized this fact:

"It is one of the direct responsibilities of policy-holders to see that the fire-insurance business is kept out of the sphere of politics and in the realm of economics where it belongs."

The fourth major responsibility of the policy-holder was considered by the speaker as follows:

"The fire-insurance business needs uniform legislation in the 48 states of our American Union, and the responsibility is upon the policy-holders of the nation to provide it."



Longview is located on the Washington side of the Columbia River 50 miles northwest of Portland, 50 miles east of the Pacific Ocean and 135 miles south of Seattle. It is served by the Northern Pacific, the Union Pacific and the Great Northern railways. It is thoroughly modern and offers all the conveniences of an up-to-date American city.

Mammoth Industries choose LONGVIEW Washington

—because thorough investigation proves Longview offers those essentials necessary for successful industry—tremendous building program includes lumber manufacturing plant by the Weyerhaeusers, another Long-Bell plant, public library, additional school unit, hospital, community church, railway station, business buildings, homes—all aggregating millions.



Hotel Monticello



Ocean Freighters Loading at the Longview Docks



Railway Station

Why They Invested In Longview

"We consider Longview as the best possible mill site on the Columbia River affording, as it does, the most economical water transportation as well as railway facilities for shipment that are not excelled by any other location in either Washington or Oregon."—*From a statement by the Vice-President and General Manager of the Weyerhaeuser Timber Co.*

"After looking into the general situation at Longview and feeling confident in its future growth and stability, negotiations for the purchase of the controlling interest (in the Longview National Bank) were completed.—The purchase is a striking evidence of the impression Longview has made upon business and financial interests in other parts of the country."—*From a statement by a vice-president of The Anglo & London Paris National Bank of San Francisco.*

THE growing reputation of Longview, Washington, as an industrial city is based upon facts acquired by engineers after exhaustive investigations. Rail and water transportation, accessible markets, raw materials, available power and climate first met the demands of The Long-Bell Lumber Company, who last July opened at Longview its greatest lumber plants.

Now comes the Weyerhaeuser Timber Company, largest private timber holders in the United States, and announces that it will build a lumber manufacturing plant at Longview, stating that it has timber enough immediately available to the site to justify its largest plant.

In April the Fleishhacker banking interests, controlling group in The Anglo & London Paris National Bank of San Francisco, purchased the control of the Longview National Bank, founded in May, 1923, and today with resources of \$932,000.

Recently The Long-Bell Lumber Company announced that it would add immediately to its present plants a second unit greatly increasing its present capacity of a million feet of finished lumber a day.

These huge investments alone mean a tremendous

building program for 1925 in the new city, a great influx of construction labor and, with the plants built, a larger payroll—a considerable and permanent increase in population which is now more

MONTHLY PAYROLLS \$800,000
Longview's payrolls will aggregate \$800,000 a month as early as July, it is conservatively estimated.

than 7,000. In addition to these projects Longview's building activities this year include:

- The first unit of a \$200,000 public hospital with 80 beds now being erected.
- A \$150,000 public library.
- A \$75,000 passenger station.
- A \$125,000 Community Church.
- Five larger business buildings aggregating \$250,000 being built—others to follow.
- A \$100,000 addition to the public school.
- 15 additional miles of concrete paving.

Longview must be seen to be appreciated. Longview is on the direct line of summer tourist travel between Portland and Seattle in the midst of wonderful, scenic grandeur.

Summer railroad rates of approximately one-half fare for the round trip to Longview and other Pacific Northwest cities in effect May 15. Stopover privileges are easily arranged by consulting ticket agents or railway conductors.

The Longview Company
Longview, Washington

A Most Significant Fact
Longview has grown from nothing to a permanent, modern city in less than two years time without the use of "boom methods."

PLEASE USE THE COUPON IN SENDING FOR LITERATURE
THE LONGVIEW COMPANY, Longview, Washington Dept. 12

Gentlemen: Please send me literature concerning the new city of Longview. I am particularly interested in its opportunities for: (Make a check mark in the square)

☐ Manufacturing ☐ Mercantile ☐ Wholesale ☐ Rental Property
☐ Professional ☐ Commercial ☐ Home Site Investment

Name _____

Address _____



A record of long life and efficient service

BEFORE you decide on any building, inspect Blaw-Knox installations—especially those which were erected from similar designs and material from ten to fifteen years ago.

Convince yourself of the long life, sturdy construction, fine appearance, dependable service and economy of Blaw-Knox buildings.

Blaw-Knox buildings are made from rust proofed, time-tested metal, and they provide positive fire protection. Your specifications can be met exactly in any size or type of building—and immediate delivery guaranteed. The structural frame, sectional units, doors, windows, and all other required parts are shop-fabricated and partially assembled for quick and easy erection.

Put your needs up to Blaw-Knox. Our contract covers all costs—one final price which you will know in advance. There is no guesswork, no waste, no uncertainty. Every dollar is accounted for to your profit. You can order a Blaw-Knox building on a special financing plan if you wish. Write today for catalog and complete information.

BLAW-KNOX COMPANY

PITTSBURGH, PA.

632 Farmers Bank Building

District Sales Offices

NEW YORK CHICAGO DETROIT
BUFFALO BIRMINGHAM BALTIMORE

CLEVELAND PHILADELPHIA
9500 Quincy Ave. 231 No. 12th St.

BLAW-KNOX



ALL PURPOSE ONE STORY BUILDINGS

WHICH TYPE SUITS YOUR NEEDS?



The Commissioner pointed out to his audience that it takes no giant intellect to grasp the fact that the existing lack of uniformity in insurance laws places a heavy amount of burden on the insurance company, a large part of which must be passed on to the policyholders in the way of increased rates and impaired service.

In concluding his remarks Commissioner Wade said, "I am not an alarmist, but this final word of warning I will leave with you. The menace of socialism is real. The Government has no more justification for entering the insurance business than it has for going into the dry-goods business."

In accordance with custom, H. A. Smith, chairman of the Insurance Advisory Committee, summarized the outstanding insurance accomplishments during the past year. In discussing the matter of Special Insurance Taxes, the speaker said:

Last year the Insurance Advisory Committee, with the approval of the Executive Committee of the Chamber, submitted to the Organization Members, forty days in advance of the annual meeting, a detailed investigation of Special Insurance Taxes from the standpoint of the policyholders. Certain specific recommendations were included in this material. The delegates at the annual meeting considered this matter and voted unanimously in favor of the following resolution:

"Special State Taxes now levied on policyholders through insurance companies should not be considered as a source of general revenue but should be reduced to the total in each state which would adequately support such state's departmental supervision, and a uniform principle of taxing the holders of insurance should be adopted throughout the states."

The speaker then went on to point out that this original investigation was supplemented by a revised statement based upon 1923 licenses, taxes and fees. This indicated a further increase in the amount of imposts levied upon the policyholders of 40 out of 47 states in 1923 in comparison with the preceding year.

For some time, said Mr. Smith, we have been aware of the dangers concerning policyholders placing business in foreign nonadmitted insurance companies located abroad. The Insurance Advisory Committee finally decided to place the facts before our members. This was done in Insurance Bulletin No. 16.

The speaker said that an analysis of the bills introduced in the various state legislatures during the session this year indicated that there were one hundred which would put the state into the insurance business.

Attention was called to the matter of Conservation by Mr. Smith. The activities along conservation lines were summarized as follows:

A systematic effort has been made by the Insurance Department of the Chamber to stress to Organization Members the importance of collective action to bring about reduction of losses due to accident, fire and disease. About three years ago we undertook to arouse our members to the importance of fire waste of lives and property values. We analyzed the situation and found it fell under two divisions: (1) Securing a collective approach to fire waste and (2) supplying the technical information and assistance necessary for continuous efforts in accordance with a carefully pre-arranged local program. These have been met through the Inter-Chamber Fire Waste Contest and the National Fire Waste Council.

Mr. Smith concluded his remarks with reference to conservation by saying:

We believe equally good results may be secured in the reduction of accidents, particularly automobile accidents, and the prevention of disease. Every chamber of commerce can render similar effective service through the appointment of committees charged with definite responsibility

to reduce automobile accidents or improve health.

In discussing the relationship between the Chamber and public officials, the speaker said:

The Chamber wants to be of service to public officials. It aims to give them the viewpoint of business on those matters affecting the public welfare. For this reason the Chamber of Commerce is glad to cooperate with public officials and assist them in the development of matters of interest to policyholders.

In discussing the Responsibilities of Policyholders from the standpoint of Casualty Insurance and Accident Prevention, George W. Wells, Jr., Insurance Commissioner of Minnesota, pointed out that it is not essential for a business man to have an intimate knowledge of all the technical details incidental to insurance underwriting in order that he may function intelligently on insurance matters affecting his interests.

Following his suggestion as to the importance of a policyholder knowing the facilities available, Mr. Wells emphasized the value of reading one's contract thoroughly. He exemplified this by an illustration:

If I go to a store and buy a \$10 suit I know without analysis that I can't expect much in the way of appearance, quality or serviceability from it, as compared with a \$100 suit. That is because I have a relative scale of values in my mind. But the average layman who purchases, let us say, a \$10 accident-and-health policy does not have in mind its value as compared with a \$100 contract. Therefore, if he expects it to render all the benefits which would be furnished by the more expensive form, he may be doomed to disappointment in the event a claim should occur. Now it is no reflection upon the vendor of either the \$10 suit or the \$10 policy that his commodity will not produce the benefits of the more expensive one. Generally speaking, we get just what we pay for. The important thing is to know what we have bought.

The speaker concluded with this assertion:

Policyholders have not done their part in the past toward developing the insurance institution. Many of them have not had any medium through which they could express themselves. From a purely financial standpoint, though, they cannot afford to continue evading these responsibilities. Nor is there any excuse for business men policyholders doing so in the future for the increasing prestige and importance of business men's organizations suggest that here is a highly desirable and effective means by which they can exercise their duties as policyholders.

James A. Beha, Superintendent of Insurance in New York, spoke on the Responsibilities of Policyholders with Respect to Life Insurance and Health Conservation. After presenting some figures showing the growth in size of the life-insurance institution as well as the important place it occupies in the economic field, he enumerated ways in which policyholders can help reduce the cost of life insurance.

In the course of the Insurance Session, a resolution presented for consideration by the Chicago Association of Commerce was considered. This advocated the repeal of the capital-stock tax and, if necessary, the substitution of a slight increase in the income-tax rate. A resolution was adopted recommending that the National Chamber approve existing methods for Federal taxation of insurance companies. Another resolution favoring the proposal that the Board of Tax Appeals be given jurisdiction as to all matters at issue between taxpayers and the Commissioner of Internal Revenue was also passed. The York-Antwerp Rules, 1924, likewise came up for consideration as the result of which a resolution approving them in principle but recommending certain modifications was introduced and approved.

A Notable Endorsement of INTERNATIONAL Motor Trucks

THE CHICAGO TRIBUNE, one of the world's most resourceful and successful newspapers, entrusts its strenuous hauling needs to International Motor Trucks.

Eighty-five International Motor Trucks are owned by *The Tribune* and its New York associate, *The News*, a remarkable newspaper fleet divided between the two cities. Twenty of these are 6,000-lb. trucks, approximately fifty are 4,000-lb., and the balance are 2,000-lb. Speed Trucks. Many of them are several years old. As evidence of complete satisfaction, twenty-five of the trucks were ordered this spring.

Trucks that meet the high pressure demands of metropolitan newspaper service warrant your closer acquaintance. Note that owners of International Trucks are served by 111 Company-owned branch houses, the largest motor truck service organization in the United States. Study International construction—such details as life guaranteed ball-bearing crankshaft, steer-easy steering gear, removable cylinders, auxiliary rear springs, etc. Note that the International line includes the 2,000-lb. Speed Truck and Heavy-Duty Trucks ranging from 3,000 to 10,000-lbs. maximum capacities. Motor Coaches for all requirements. Write for catalog and address of nearest sales-service branch.

INTERNATIONAL HARVESTER COMPANY
606 So. Michigan Ave. of America
(Incorporated) Chicago, Ill.



The New
CHICAGO TRIBUNE TOWER
*Winner in a \$100,000 World-wide
Architectural Competition*



Annual Convention of Davey Tree Surgeons at Kent, Ohio, March 4-11,

"I was indeed surprised to see the much impressed by its wonderful

Leading bankers and manufacturers from the neighboring city of Akron were invited to attend the Annual Convention banquet of Davey Tree Surgeons in Kent, Ohio, March 9, 1925. The following letters express the judgment of these men as a result of this opportunity to study the Davey organization at close range, to see its spirit and character, and to learn the business policies and professional ethics under which this unusual group of men operate

I congratulate you

Mr. M. L. Davey,
The Davey Tree Expert Co.,
Kent, Ohio

Dear Mr. Davey:

It was a real pleasure and inspiration to me to be present at your Convention Banquet. I was indeed surprised to see the size of your organization and was very much impressed by its wonderful spirit and enthusiasm. You have certainly built up an organization on the right basis of co-operation and service, or you could not have grown to your present size and have carried your business and its message to all parts of the country.

You should be very proud of the work you are doing and I congratulate you on the success you have attained and the spirit that permeates all your people. They were a fine looking lot of men—real men of the world—and with such backing I am sure your good company is going on to bigger and better things as the years roll by.

Very truly yours,

C. B. RAYMOND, Chairman of the Board,
B. F. Goodrich Company, Akron, Ohio

A business decidedly worth while

Dear Mr. Davey:

It was a great pleasure to attend the reunion of your office and field forces and meet the fine body of men you have gathered together.

Your work of conserving the trees of the nation, and incident therewith, interesting the people in this conservation of the nation's slowest growing and greatly dissipated natural resources, is a business decidedly worth while.

The well-known merit of the object of this business, when combined with integrity and energy in its execution, should bring about a prosperous future.

Sincerely yours,

P. W. LITCHFIELD, Vice-President,
The Goodyear Tire & Rubber Company,
Akron, Ohio

Enthusiasm and loyalty

My Dear Mr. Davey:

I had heard much about the organization, but was greatly surprised at its size and the quality of its personnel. The twenty men of the organization who gave short talks, left with me the impression that they were all men of high type, high ideals, efficient, loyal

and full of the spirit of co-operation.

After witnessing at this dinner the enthusiasm and loyalty of some 250 employees, I can readily see why The Davey Tree Expert Company has advanced so rapidly in the past eight or ten years. You have a splendid organization and you are doing a splendid work.

May you continue to grow in the next ten years as much as you have in the past ten years.

Very truly yours,

C. W. SEIBERLING,
Seiberling Rubber Company,
Akron, Ohio

Compelling proof

My Dear Mr. Davey:

The photograph you so kindly sent me is not only a reminder of the delightful evening spent with your splendid organization on the occasion of your recent convention, but in part explains the national reputation for expertness and fair dealing your company has achieved. Your outstanding success is compelling proof of the welcome the public is ever ready to accord a thoroughly trained personnel, co-ordinated by a policy of closest co-operation be-



1925. This group includes about one-third of the Davey organization

size of your organization and, was spirit and enthusiasm"

—C. B. RAYMOND, Chairman of the Board, B. F. Goodrich Co., Akron, Ohio

tween home office and field, between management and employee. Your policy has been a guarantee of your success.

Cordially yours,

CHAS. HERBERICH, Vice-President,
The Depositors Savings & Trust
Company, Akron, Ohio

Work of inestimable benefit

Dear Mr. Davey:

As the founder of a field of work of such inestimable benefit as the treatment and preservation of our beautiful trees and orchards, the nation-wide reputation and success of The Davey Tree Expert Company must be highly gratifying.

The scope of your organization, including, as it does, not only your large field force and sales representatives but also the able Institute to insure trained and experienced men to carry on your

work, was forcibly impressed upon me at your recent banquet, where I had the pleasure of becoming acquainted with you and your associates; and with a better understanding of the extent of your organization and its very great usefulness in the preservation of trees, I write to express the high regard in which I hold your enterprise and to wish you a still further success than that you already enjoy.

Sincerely yours,

W. A. M. VAUGHAN,
Vice-President & Treasurer,
The First Trust & Savings Bank,
Akron, Ohio

Sincere spirit of co-operation

Dear Mr. Davey:

Please allow me to thank you for again giving me the inspiration so abundantly expressed in the recent banquet

which you tendered to your organization.

The enthusiasm, the integrity of purpose and the sincere spirit of co-operation and fairness which so evidently permeate your entire group cannot but impress itself upon the public.

Your strong character reflects itself in your men, and in turn they express it in their good work.

Very truly yours,

ALLAN F. AYERS,
Executive Vice-President,
The Ohio State Bank & Trust Company,
Akron, Ohio

Attach this coupon
to your letterhead
and mail today



THE DAVEY TREE
EXPERT CO., INC.,
191 City Bank Bldg.,
Kent, Ohio

JOHN DAVEY
Father of Tree Surgery
Reg. U. S. Pat. Off.

Gentlemen: Without cost or obligation on my part, please have your local representative examine my trees and advise me as to their condition and needs.

THE DAVEY TREE EXPERT CO., INC., 191 City Bank Bldg., Kent, Ohio

Branch offices with telephone connections: New York, 501 Fifth Ave., Telephone: Murray Hill 1629; Albany, Volkert Bldg.; Boston, Massachusetts Trust Bldg.; Philadelphia, Land Title Bldg.; Baltimore, American Bldg.; Washington, Investment Bldg.; Pittsburgh, 331 Fourth Ave.; Buffalo, 110 Franklin St.; Cleveland, Hippodrome Bldg.; Detroit, General Motors Bldg.; Cincinnati, Mercantile Library Bldg.; Louisville, Todd Bldg.; Indianapolis, Lombard Bldg.; Chicago, Westminister Bldg.; St. Louis, Arcade Bldg.; Kansas City, Scarritt Bldg.; Minneapolis, 636 Andrus Bldg.; Montreal, 912 Insurance Exchange Bldg.

DAVEY TREE SURGEONS

Every real Davey Tree Surgeon is in the employ of The Davey Tree Expert Co., Inc., and the public is cautioned against those falsely representing themselves. An agreement made with the Davey Company and not with an individual is certain evidence of genuineness. Protect yourself from impostors. If anyone solicits the care of your trees who is not directly in our employ, and claims to be a Davey man, write headquarters for his record. Save yourself from loss and your trees from harm.



*Kajima Bank and Daido Insurance Company
Building, Osaka, Japan*

*Completely equipped throughout with Dahlstrom
Metal Doors, Trim and Conduo Base together
with Elevator Doors and Inclosures to match*

THE motto of the Underwriters' Laboratories, "Ignis Servus Non Dominus," furnishes a text for all times and all countries. Fire, the Servant, is one of the greatest blessings bestowed upon humanity; but Fire, the Master, is a menace from which humanity shrinks in terror.

To keep Fire the servant of humanity has been a constant problem and has grown more acute with the advance of civilization.

Only by building more substantially and with more forethought can advancing civilization meet this problem. The Kajima Bank and Daido Insurance Company have realized the truth of this by availing themselves of Dahlstrom Service and the use of Dahlstrom Metal Doors and Trim, thereby making their building truly fireproof.

*We shall be pleased to furnish
you with complete information upon request*

DAHLSTROM

DAHLSTROM METALLIC DOOR COMPANY

INCORPORATED 1884
JAMESTOWN, NEW YORK

NEW YORK - 25 Broadway - CHICAGO - 19 So. LaSalle Street - DETROIT - 1311 Dime Bank Bldg.

Get the Facts on Distribution

THE QUEST of the cold, hard Fact as a prerequisite to the efficient distribution of merchandise was the purpose that dominated the meeting of the Domestic Distribution Group of the National Chamber held in connection with the Annual Meeting. Again and again the various speakers returned to this fundamental concept and the need in distribution of an exact and exhaustive knowledge of the market and the elements which compose it, was emphasized repeatedly.

Theodore F. Whitmarsh, president of Francis H. Leggett & Company, New York, and chairman of the Domestic Distribution Departmental Committee of the Chamber, was unexpectedly detained in New York and in his absence A. Lincoln Filene, treasurer and general manager of Wm. Filene's Sons Company, Boston, and a member of the Departmental Committee, presided as chairman.

Mr. Whitmarsh's address on "The National Distribution Conference and Its Results to Date" was read to the meeting by Alvin E. Dodd, manager of the Domestic Distribution Department. The general progress of the Committees of the Conference has been reported from time to time in the NATION'S BUSINESS since the first meeting of the whole Conference was held in January of this year. Mr. Whitmarsh presented a picture of the work accomplished by the Six Committees and the Subcommittees into which they were subdivided.

In reviewing the origin of the Conference, Mr. Whitmarsh said:

While other branches of business and of professional men had created means for combined action in solving their problems, distributors were without class consciousness and therefore without any conception of distribution as a distinct subject in which all of them are interested equally, whether retailers, wholesalers or manufacturing distributors. Until they can reach a conception of distribution as a distinct entity with problems peculiar to itself it will be impossible for distributors to divest themselves and their business of the misunderstandings with which they are surrounded in their dealings with the public.

The Six Committees of the National Distribution Conference, as outlined briefly by Mr. Whitmarsh, are as follows:

Committee I—Collection of Business Figures In Aid of Distribution

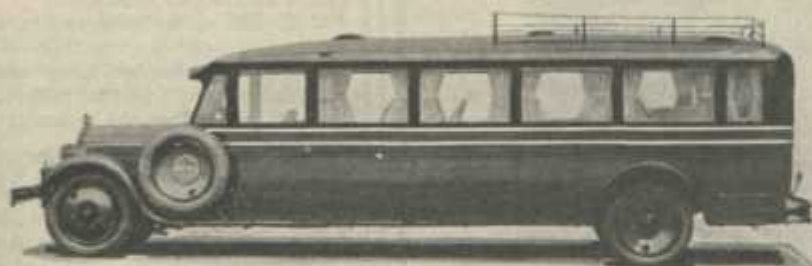
These figures are of three types:

1st. A Census of Distributors comparable with the Census of Manufactures which is now conducted by the Bureau of the Census. We do not know today the number of distributors in any given community or any given branch of trade and the whole process of distribution is embarrassed by this state of ignorance.

2nd. Statistics of prices and quantities whereby the relations between production and consumption may be used to avoid the peaks and depressions which recur periodically but often without sufficient warning that a change is taking place or will take place.

3rd. The actual conditions of trade in order that we may know without the existing hazard of doubt, precisely what is occurring in different kinds of business and in different parts of the country.

This committee has as its chairman Owen D. Young, chairman of the Board of the General Electric Company.



Mack Sedan Bus



Mack City Bus



Mack Truck Chassis—Model A C

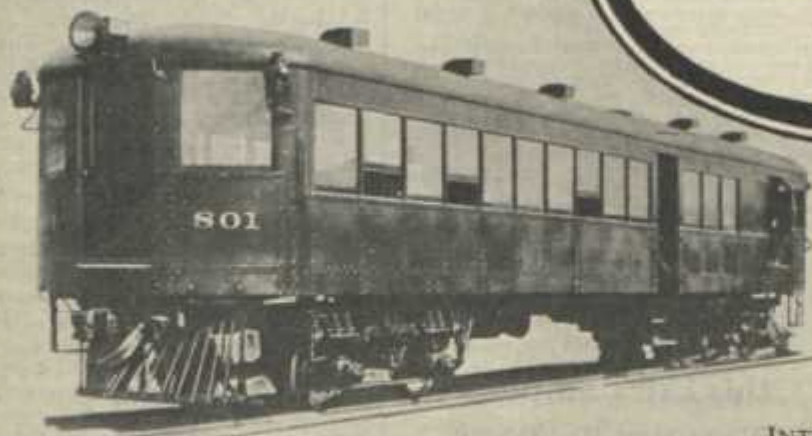


Mack Truck Chassis—Model A B

*Where performance counts
your ultimate choice
will be*



Mack Fire Apparatus



Mack Rail Car

MACK TRUCKS, INC.
INTERNATIONAL MOTOR COMPANY
25 Broadway, New York City

Eighty-five direct MACK factory branches operate under the titles of: "MACK-INTERNATIONAL MOTOR TRUCK CORPORATION" and "MACK MOTOR TRUCK COMPANY"

The Mayflower

Connecticut Avenue

Home of the Leaders
in Statecraft
Diplomacy, Finance
and Industry



Four Short Squares
from New Home
of U.S. Chamber
of Commerce

BUSINESS AND PROFESSIONAL MEN whose affairs take them frequently to the national capital, will find at

WASHINGTON'S PALATIAL NEW HOTEL
the acme of luxury and comfort. Superbly appointed,
The Mayflower is beyond all question the finest institution of its kind in America.

Rates No Higher than at Less Luxurious Hotels

FOR RESERVATIONS

Telephone
Main 9800



Cable Address
Mayflower

Washington

"INSULATE"

THE MATERIAL OF 164 TRADES

"INSULATE" is a molded composition with 10 advantages:

Can be molded into any shape
Strength improves with age
Does not shrink
Takes a fine polish
Nonconductor of electricity
Holds its color
Not affected by weather
Resists acids
Light in weight
Inexpensive



A part molded with 50 inserts and 30 holes therein

Manufacturers everywhere are turning to "INSULATE" to lower production costs because of its many advantages.

No matter what you manufacture—hardware, electrical apparatus, fancy goods, auto accessories, etc.—"INSULATE" saves you money. Send blue prints or samples, we will gladly quote.

GENERAL INSULATE CO.

999 Atlantic Avenue Brooklyn, N. Y.
Established 1904

PURCHASING EXECUTIVE

- 1.—Nine years' excellent record in large scale industrial purchasing for a \$50,000,000 corporation.
- 2.—Skilled in buying a wide range of commodities and equipment, under contract, in the open markets and in the field.
- 3.—Strong on organization. Able to create and direct an effective purchasing system. Keen on giving service to allied departments.
- 4.—Qualified to be of value to:
 - a.—A syndicate desiring to coordinate the buying for a number of properties.
 - b.—A corporation needing a general purchasing agent or assistant.
 - c.—A group of plants, or a cooperative association wanting to establish a central purchasing system.
- 5.—University graduate. Mechanical Engineer, with operating and commercial background. American, forty, with family. Location secondary to real opportunity.
- 6.—Inquiries held in strict confidence. For particulars, references or interview in New York, address

Purchasing,
NATION'S BUSINESS, New York City

**Additional
copies of
this Extra Edition
of NATION'S BUSINESS
may be obtained**

**from us at
10c each, sent postpaid**

**NATION'S BUSINESS
WASHINGTON**

Committee II—Trade Relations

This committee has divided its subject into three general subdivisions:

1st. The character of the misunderstandings and possible dissension which take place in the conduct of business.

2nd. The underlying causes of these misunderstandings.

3rd. Means for reducing the number of complaints and for the conciliation of contestants as well as the peaceful settlement of disputes.

"Mr. A. Lincoln Filene," said Mr. Whitmarsh, "who has devoted time, money and effort during many years to an amelioration of the causes which produce dissension and misunderstanding between wholesalers, manufacturers and retailers, is chairman of Committee II. We expect gradual but very great improvements in the way in which business is conducted; and that consumers will benefit equally with distributors."

Committee III—Market Analysis, Advertising and Advertising Mediums

This committee has subdivided its work as follows:

1st. Market analysis includes all of the figures and elements which enter into the plans for the economical distribution of merchandise. Its importance may be conceived when it is understood that most of the great industries, periodicals, and advertising agencies conduct investigations separately and individually into the probable demand and possibilities of creating demand for merchandise. There is much costly overlapping in this work today and the suggestion has been made that it may be centralized in such a manner as to produce better results at an unknown but very great saving both of money and effort.

2nd. Advertising is one of the great forces today which when scientifically applied is a proper and necessary agent of distribution. To indicate the most economical means for utilizing advertising is one of the most important duties of Committee III.

3rd. Advertising mediums are of many classes, embracing all kinds as: daily newspapers, billboards, cards in street cars, posters and so-called periodicals. Each has a particular value but it is not very clearly understood by which method or methods the most effective results may be procured.

Referring to the chairman of Committee III, Mr. Whitmarsh said, "Stanley Resor, president of the J. Walter Thompson Company, is one of the most distinguished exponents of scientific planning for distribution and he has surrounded himself with a representative group of men who are individually familiar with some particular phase of the subject."

Committee IV—Expenses of Doing Business

For convenience in studying this subject it has been divided into four parts:

- 1st. Retail Expenses of Distribution.
- 2nd. Wholesale Expenses of Distribution.
- 3rd. Manufacturers' Expenses of Distribution.

4th. Credit and the Cost of Failures.
"Each of these divisions," Mr. Whitmarsh explained, "is being studied for separate classes of commodities and it is hoped that a picture may result which will permit for the first time an understanding of the whole expense of distributing any representative type of commodity. Robert R. Ellis, chairman of Committee IV, has conducted original and invaluable research into expenses of doing business and into wasteful practices in the interest of the business which he directs as president of the Hessig-Ellis Drug Company of Memphis."

Committee V—Methods of Distribution

"Probably the most confusion is found to exist in the methods of distribution. The subdivision of this committee's work will contemplate—

1. The kinds of establishments and the six types of relations between them.
2. The kinds of commodities and the six methods which are applied to their distribution.

The time has come when a clearer knowledge is demanded of the reasons why certain commodities follow different routes from producer to consumer.

"The chairman of this committee, Dr. Melvin T. Copeland, director of the Harvard Bureau of Business Research, has had many years experience in the most intimate studies of business methods."

Committee VI—General Conditions Affecting Distribution

"This subject has been divided as follows:

1st. Federal Legislation: its character, tendency and probable effect upon distribution.

2nd. State Legislation: its lack of uniformity and possible means for modifying the embarrassment which distributors suffer in attempting to conduct business under the rapidly changing laws of 48 different states and their lack of resemblance to Federal legislation.

3rd. The lack of a clear understanding as to what is or is not possible to distributors in the conduct of their affairs under the provisions of the Sherman Act, the Clayton Act and the Act creating the Federal Trade Commission. Distribution could be much more rationally and economically conducted if it could be known in advance whether a contemplated action or collection of facts would be regarded by the Federal powers as legal or illegal.

4th. Public understanding of distribution is so limited that charges have been made as to the motives and methods of distributors for which no means for answering have existed. Committee VI, it is expected, will serve as a central body for collecting the necessary data and placing them before the public in a manner which will convey the idea that distributors are eager to render a service not only economically but conveniently to the public."

The tangible results of the studies of these committees, Mr. Whitmarsh concluded, will be seen when the Conference holds its second meeting, which will probably be in November.

Representing the Steering Committee of the National Distribution Conference, F. M. Feiker, vice-president of the Society for Electrical Development and vice-chairman of Committee I, emphasized the need of scientific research in distribution to correspond to the research in production.

"Commercial research work must not be judged," said Mr. Feiker, "in the light of any particular year. It must be a continuous process having a constant bearing on business as it progresses from year to year."

One of the high lights of the meeting was the address of Mr. E. T. Meredith, president of the Meredith Publications and Secretary of Agriculture under President Wilson, on "Misinformation as a Basis for Estimates on Marketing Expenditures." Mr. Meredith devoted most of his address to examples taken from his personal experience, illustrating the all-too-common propensity among business men to make plans for distributing merchandise without first getting the facts about the market or of basing their plans upon information and beliefs for which there is no foundation in fact.



JIMMY

flashes a

Double

Spread

"I want to show you something," said Jimmy Warren as he fished a double page advertisement out of his portfolio and laid it before the president.

"You've been a manufacturer for many years," he continued. "You've been successful and you know your problem better than I do. But I think I'm safe in saying this: You're anxious to improve your product wherever you can. But I notice that you are using four pieces of cast metal in every item you put out. Am I right?"

"I believe you are," the president replied. "Anything the matter with that?"

"That's the thing I came to talk to you about," answered Jimmy. "Our YPS organization has been able to improve the products of a great many manufacturers who were sticking to cast parts. And not only that. They have actually cut down production costs on those same products. This Davis Welding advertisement tells about just such a case."

"You know, the Davis Welding & Manufacturing Company, in Cincinnati, make tanks for tank trucks. They wanted to improve this product, and their engineers, of course, knew about pressed steel. So they worked out their ideas for pressed steel tank heads and bolsters, and then came to pressed steel headquarters—The YPS Company—to get the advice of the pioneers in pressed steel redevelopment. As a result of the combined efforts of their engineers and ours, improvements were made in their product. This paragraph in their advertisement tells the result:

"The new tanks have pressed steel box bolsters. The bolsters are pressed out in two halves and telescoped together to form a bolster of great strength and superior finish. They are easy to keep clean and much lighter in weight."

"The corrugated compartment heads with their flanges are stamped out with large dies. This enables us to assemble the bodies much faster and give greatly improved deliveries. The corrugated pressed heads are exact in dimension and the compartments are therefore accurate as to capacity."

"And here's a summary," continued Jimmy "of what YPS service did for them and their product:

"Faster Assembly, Improved Deliveries, Greater Accessibility for Repairs, Uniformity of Parts, Accurate Capacity and substantial saving in weight without reduction in strength."

The president nodded his head. "All very nice," he remarked, "but we don't make tanks, you know."

"Certainly not," Jimmy agreed promptly, "but you are interested in putting out the best product you can, with every economy possible."

"If you'll let me, I'd like to take a walk through your plant and look over the possibilities of redesigning some of those cast parts."

The president reached for his hat. "I'll go with you," he said.



Adventures

in Redesign

THIS little book offers interesting and profitable reading if you are manufacturing products now made up of cast-metal parts.

It relates many remarkable instances wherein "pressing from steel instead" has reduced weight, increased strength and vastly improved the character of products for almost every branch of industry. A request on your business letterhead will bring it—free.

THE YOUNGSTOWN PRESSED STEEL CO.
"Pioneers in Pressed Steel Redevelopment"
Warren, Ohio



HAVE YOU A KNOCK IN YOUR ENGINE

You would not drive your car if there was a knock in the engine. You would want to find out what was the cause of the trouble.

Most drivers use a motometer or some signal device which tells them when the engine is becoming overheated.

But most people neglect the most important piece of machinery in the world—the human body—and don't know when some trouble is developing which may result in serious illness.

Our system is the signal system which keeps watch over your physical condition and, when the laboratory analysis shows the first sign of "a knock in the engine," gives you that word of warning which is worth millions.

This service costs so little that you cannot afford to be without it.

The booklet which we will send you is well worth asking for. This coupon will bring it to you.

National Bureau of Analysis

F. G. SOULE, President and Founder
N.B. 65 Republic Bldg., Chicago

NATIONAL BUREAU OF ANALYSIS
N.B. 65 Republic Bldg., CHICAGO

Gentlemen: Please send me at once, free of charge, your health protection treatise, "The Span of Life."

Name.....

Address.....

Among the false assumptions based upon misinformation and used in making merchandising plans, Mr. Meredith mentioned these:

That the farmer gets all of his money in the fall.

That the farmer does not buy canned fruits and vegetables.

That farm papers are not read by women.

That farmers demand cheap clothing, cheap radio sets and cheap machinery.

That the price of wheat is an accurate indicator of the farmer's prosperity.

That in his home life, his tastes and his wants, the farmer is different from anyone else.

"I was once asked," Mr. Meredith said, "to address the sales executives of a large corporation. The subject assigned me was 'What Kind of Language to Use in Selling the Farmer.' Evidently they thought that if a man lives on a farm he doesn't understand ordinary English. I found that a majority of the men present had been born on farms or had relatives living on farms, so I told them to use the same language they used in writing letters home. But this ignorance about the farmer is typical."

Sydney Anderson, president of the Millers' National Federation, former chairman of the Joint Commission on Agricultural Inquiry and now chairman of Committee VI of the National Distribution Conference, described some of the influences which are affecting distribution costs today.

"The subject," he said, "is so big, so enveloped in a fog of generalities, that it is difficult to find an approach to it as a single general problem."

He laid emphasis on the fact that each industry or trade believes its problems are peculiar to itself and that general rules applicable to other industries or methods employed for their improvement are inapplicable to the industry with which they are connected. "It has been my own observation that the fundamentals of industry are pretty much alike and that the problems which surround them are of much the same general character."

"Nevertheless," he continued, "it is necessary to remember that a great many widely differing methods of distribution have been developed and that in many cases different methods of distribution have been applied successfully to the same commodities or in the same general line of manufacture or distribution. No new general scheme of distribution has been or is likely to be evolved which can be applied universally without modification, and certainly no such scheme will ever be devised which can be applied without careful study and analysis of the conditions surrounding the distribution of the commodities or the organization and technique of the industry in which it is to be used."

Speaking of the excessive competition not only within industries manufacturing particular kinds of commodities but between industries in their effort to secure an increased proportion of the ultimate consumer's dollar, Mr. Anderson attributed overcompetition to the overcapacity which exerts a constant pressure to secure the volume necessary to keep the industry profitably employed.

"It has produced a tendency to sell so-called excess production, that is, production above the amount necessary to cover the overhead, at prices below normal. The advantages of lower manufacturing costs growing out of production in volume are often, in part at least, offset by higher sales costs due to increased sales resistance, and to the lower price levels due to pressure of this constant volume upon the general price level.

"It is an exceedingly difficult matter to de-

velop remedies for this situation within legal limits. In the milling industry, with which I am now associated, we are attempting to minimize the effect of the tendency to ignore costs, or to base prices on expected volume or hope for volume rather than upon actual experience."

Mr. Anderson attributed the intensity of competition partly to the wider dispersion of merchandise through improved railway and storage facilities.

"Not only has competition in price increased but in the development of the service idea," Mr. Anderson said.

"The costs of this service cannot be always anticipated or controlled. Nevertheless it has to be anticipated in the price or absorbed out of selling margins. The services are frequently offered as though they cost the buyer nothing and were thrown in as the old-time clothing store used to throw in a pair of suspenders with a pair of pants. However, as they become generally used and adopted by the trade and expected by the public, they either become permanent additions to the cost of merchandising or are reflected in reduced profit and margin. That the latter is very often the case is indicated by the fact that, notwithstanding business has been of the largest volume ever known in the history of this country, profits of business have shown no actual corresponding increase."

Mr. Anderson referred to distribution costs growing out of competition in terms. Business practice in the matter of the length of credit, the amount of credit, excessive discounts, rebates and premiums has introduced new costs into distribution. Where the price of merchandise, he pointed out, contains either a concealed charge for service or concession in terms, the interpretation of the competition represented in terms of prices becomes impossible.

"Any progress worth while in reducing costs of distribution must be made under conditions which permit industries within themselves to make agreements with respect to the terms and conditions under which their products will be sold.

"I have come very definitely to the conclusion that the only practical method of eliminating wasteful costs and destructive competition is through agreements within the trades which will specify the terms and conditions under which goods shall be sold. Otherwise the endless processes of extravagant expenditure in service and the continuous march of destructive competition will go on. I am not for a moment suggesting that the present laws which prohibit combinations in restraint of trade and agreements as to prices shall be repealed or modified. I am only suggesting that the rights of trades and trade organizations be so established that their right to agree on matters of terms and of service will be established and understood."

In touching upon the increase in costs due to a multiplication of varieties, types, sizes and styles, Mr. Anderson stated that a reduction of these, based upon careful analysis of requirements, would do much to reduce distributive costs. He said further that in most cases industry and the public will be benefited by reducing the area of distribution to a more economical radius, and by dispensing with much of the "small order" sales made at high cost.

In closing the meeting Mr. Filene made an eloquent plea for the help of business men in getting information and data for the studies of the committees of the National Distribution Conference: "Remember that the help the Conference can give you will depend upon the help you give us."



Partial View of Central Coal & Coke Company's Subsidiary, Oregon-American Lumber Company Sawmill at Vernonia, Oregon



This New Modern Mill on the West Coast

offers buyers the
opportunity to obtain

Better Lumber

HERE is a mill that has been pronounced by experts to be a model of efficiency. It is setting a new standard in the making of quality lumber and is the first West Coast plant to offer:

Old Second Growth Yellow Fir, two inch and under, Kiln Dried and dressed after seasoning to American Standard Sizes. There is no shrinkage in dimension after manufacture.

We are prepared to give prompt and exacting service, whatever your requirements in Old Growth Yellow Fir or Long and Short Leaf Southern Pine. Our nearest office will cheerfully and promptly furnish you with complete information. Our salesmen are anxious to serve you.

CENTRAL COAL AND COKE COMPANY

General Offices:
Kansas City, Missouri

MILLS:

Vernonia,
Oregon

Carson,
Louisiana

Neame,
Louisiana

Conroe,
Texas

Capacity 300,000 Feet per Year

BRANCH SALES OFFICES:

Chicago, Illinois
Cleveland, Ohio
St. Louis, Mo.
Indianapolis, Ind.

Denver, Colorado
Portland, Oregon
Minneapolis, Minn.
Des Moines, Iowa
New York City

Omaha, Neb.
Dallas, Texas
Houston, Texas
San Antonio, Texas

When writing to CENTRAL COAL AND COKE COMPANY please mention Nation's Business



Instinct tells him what *Science* tells you

Perhaps the man who uses a scrap of wood as a cushion between his feet and a concrete floor would simply tell you that it gives him "the miseries" to stand on that hard, cold floor.

Science would tell you more. It would present figures gathered by great business firms, showing that men who stand on concrete do less work in a day—take off more time on account of sickness, and change jobs oftener.

Science can also tell you more about the advantage of laying a Maple floor over concrete. Maple polishes, where stone pulverizes, from wear. Tough-fibred, tight-grained Maple becomes smoother and smoother under the traffic of feet and trucks, while stone-like floors give off a fine dust which may feel like flour to your fingers, but in the bearings of machines, it cuts like diamonds.

Floor with Maple in your factories and industrial buildings, and you protect both your men and your machines. Floor with Maple in stores, offices, public buildings, schools—and all the places where people stand, or work, or walk. For longer service, a smoother surface, and greater human comfort, experience proves that Maple is the floor to use.

In the Tribune Tower, Maple has been chosen as the flooring for the press rooms. Anyone who knows the rush and turmoil with which each new day's issue of a great newspaper is published, knows that the floor which must withstand this usage meets a hard test of service and contributes to human efficiency, keyed to the highest pitch.

MAPLE FLOORING MANUFACTURERS
ASSOCIATION
1042 Stock Exchange Bldg., Chicago

Guaranteed Floorings

The letters **MFMA** on Maple, Beech or Birch flooring signify that the flooring is standardized and guaranteed by the Maple Flooring Manufacturers Association, whose members must attain and maintain the highest standards of manufacture and adhere to manufacturing and grading rules which economically conserve every particle of these remarkable woods. This trade-mark is for your protection. Look for it on the flooring you buy.

MFMA

Floor with Maple

Beech or Birch

If you writing to MAPLE FLOORING MANUFACTURERS ASSOCIATION please mention Nation's Business

The Resolutions of the Meeting

No. I.—World Court

THE UNITED STATES is committed emphatically and always has stood for the peaceful solution of international disputes. It has historically advocated and agitated for the formation of an international judicial tribunal for this purpose. The Permanent Court of International Justice is the embodiment of the aspiration and effort of our leading statesmen and jurists. By resolution of the last three Annual Meetings the Chamber has consistently and insistently endorsed the adherence of the United States to the Permanent Court on the conditions laid down by the Executive and former Secretary of State Hughes.

The President of the United States has stated his position unequivocally, and the Chamber expresses its disappointment at the delay in effecting the recommendation of the Executive. It believes that the objections which have been made to the entrance of the United States into the present court are unimportant as compared with the advantages which would accrue to us and the support and impetus which our action would give to the promotion of international justice and the furtherance of international peace. The Chamber reiterates its position in support of the Permanent Court of International Justice and urges the adherence of the United States thereto at the forthcoming session of Congress.

No. II.—Commercial Treaty Policy

YOUR Committee on Resolutions respectfully recommends the presentation to the Board of Directors of the report of the Committee on Foreign Affairs on the subject of the Commercial Treaty Policy of the United States, and all of the accompanying data and communications, with the suggestion that the subject be submitted to the membership in the form of a referendum at the earliest convenience of the Board.

No. III.—Claims Against Germany

IN DEALING with the Alien Property Fund, Congress, while fully recognizing the historic policy of the United States, holding immune from confiscation enemy private property in time of war, should have in mind at all times its obligations, no less sacred, toward American nationals who suffered loss and injury through the aggressions of Germany during the late war.

Congress should accord to Germany full faith and credit for free and voluntary action on its part in entering into the Treaty of Berlin for the restoration of friendly relations with the United States, and to that end should retain possession of the Alien Property Fund, in accordance with the explicit terms of that Treaty, until Germany shall have made suitable provision for the satisfaction of all such American claims.

No. IV.—Relations with Canada

YOUR COMMITTEE respectfully suggests that the Chamber, through its proper channels, conduct an inquiry as to the possibility of further improving the social and economic relations between the business men of Canada and the United States, to the end that each may enjoy the utmost advantage to be gained by the best possible social and

PARIS CLEARING HOUSE RETURNS FOR FEBRUARY

The following table gives the Paris Clearing House returns of the general movement of funds of the principal banks during the month of February, 1925:—

	Accumulated Debits and Credits
Société Générale	4,312,005,220.90
Banque Nationale de Crédit	4,020,000,801.13
Banque de Paris et Pays-Bas	3,407,541,888.08
Crédit Commercial Français	3,038,364,506.56
Barclay's Bank (France) Ltd.	2,479,240,827.00
Compt. National d'Escompte	2,384,538,820.37
Equitable Trust Co.	2,343,103,078.71
Banque Trust Co.	2,252,271,661.00
Lloyds and National Foreign Bank Ltd.	2,168,398,236.01
Crédit Lyonnais	1,448,171,364.30
Guaranty Trust Co.	
Banque Paribas et Ital. pour l'Amérique du Sud	1,402,351,994.93
Westminster Fin. Bank, Ltd.	1,389,205,483.50
Banque Belge pr. l'Étranger	1,220,613,450.90
Banque de Union Parisienne	1,177,139,435.77
Banque Anglo-Belg. Amer.	1,006,113,900.55
National City Bank of N.Y. (France)	1,055,564,914.68
Banque de France	943,971,097.23
Banque Nationale Française du Commerce Extérieur	917,692,398.33
Crédit Industriel et Comm.	870,887,417.40
Banque de Mulhouse	756,825,505.60
Banque Ind. de Commerce	744,009,882.49
Banque des Pays du Nord	642,781,078.00
American Express Co. Inc. (Paris)	610,457,554.14
Banque des Pays de l'Europe Centrale	531,184,605.45
Banque Générale du Nord	504,539,500.41
Crédit du Nord	494,832,543.96
Banque Transatlantique	454,254,227.06
Crédit Foncier d'Algérie et de Tunisie	432,474,872.90
Banco di Roma	406,555,035.92
Morgan Harjes & Co.	367,602,097.22
M. Nancienne du Crédit Industriel et de Dépôts	290,520,432.61
Banque d'Alsace et Lorraine	289,407,011.75
Banque du Rhin	285,712,460.04
Banque Privée	264,590,406.09
Compagnie Algérienne	245,946,277.71
Banque L. Dupont et Cie.	229,972,680.94
Crédit Alsacien	226,436,174.43
Lehmann et Cie.	223,601,319.61
Banque of London & South America, Ltd.	218,808,081.60
M. Centrale des Banques de Province	205,070,388.07
Société Marseillaise	141,140,003.03
Crédit And. & Cie.	107,000,920.73
Banque Argentine & Franc.	88,145,856.31
M. Parisienne de Banque	72,773,442.38
Banque Fran. et Holland. Américaine	65,680,136.65
Total 24 days	49,299,000,019.00
Bills presented to Clearing House (24)	24,649,800,022.05
Average per day	1,027,075,000.91

From the Paris
edition of the
New York Herald

One of the largest banks in Paris, too

AMONG the forty-six principal banks in the Paris clearing house, The Paris Office of The Equitable has ranked from twelfth to fourth in clearings during the past eighteen months.

By using the foreign banking services of The Equitable you benefit by the prestige and good will it enjoys to an unusual degree among foreign banks and business men.

THE EQUITABLE TRUST COMPANY OF NEW YORK 37 WALL STREET

FOREIGN OFFICES

LONDON: 10 Moorgate, E.C. 2
Bosh House, Aldwych, W.C. 2
PARIS: 23 Rue de la Paix
MEXICO CITY: 48 Calle de Capuchinas

Total resources over
\$400,000,000

DISTRICT REPRESENTATIVES

PHILADELPHIA: Packard Building
BALTIMORE: Calvert and Redwood Sts.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.



Make a
Busy Season
out of
your

Slack Season!



CHRISTMAS sounds like an odd time to sell golf balls. Yet Glenn H. Morris, advertising manager of Thos. E. Wilson & Co., says they sold several thousand dozen golf balls during the holiday season of 1924 which could not have been sold without the aid of the Molloy Made Box shown here.

This is the time to think of Christmas merchandising! Molloy Made Boxes will make busy seasons out of slack seasons for many manufacturers during the next few months—will you be one of them?

Tell us the nature of your product or send us a sample, and we will suggest a Molloy Made Box which will give it distinctiveness and irresistible appeal as a gift feature. An inquiry will cost you nothing, and it may open an entirely new market for your product! Write today!

THE DAVID J. MOLLOY COMPANY, CHICAGO, ILLINOIS

2061 North Western Avenue

Prospect-Fourth Building, Cleveland
126 East 84th Place, Los Angeles

300 Madison Avenue, New York
Carlton Publicity, Ltd., London

MOLLOY MADE
Commercial Covers  for Every Purpose

If you are not already a NATION'S BUSINESS subscriber—

You may want to find out for yourself whether it will *pay* you to become one. You may like what you have read in this Extra Edition. It is something of a sample. But the more sure way to find out about NATION'S BUSINESS' benefits is to look over one of our regular numbers, the June number, for example.

You can obtain a description of the magazine and a return postal card

which entitles you to an approval subscription, if you write to the United States Chamber of Commerce, Washington, D. C. Ask for the "NATION'S BUSINESS approval subscription offer."

More than 187,000 business and professional men are reading NATION'S BUSINESS today. There were less than 10,000 as little as ten years ago.

business contact between the citizens of the two countries.

No. V.—Judicial Salaries

LITIGATION in the federal courts, both civil and criminal, is increasingly important. Judges of these courts not only must be men of unimpeachable integrity and liberal education, but they should have profound knowledge of the law and superior administrative ability in the dispatch of business. The Government is entitled to the service of competent lawyers on the federal bench. The class of lawyers requisite for this service cannot be obtained unless they receive salaries enabling them to live in a manner commensurate with the position they occupy. No lawyer worthy of a position on the federal bench should be asked to make the financial sacrifice required by the present salaries.

The Chamber therefore urges upon the Congress the immediate passage of a law increasing the salaries of the federal judges to such an amount as will insure the services of capable lawyers and further the expeditious and economical administration of justice in the federal courts.

No. VI.—Federal Reserve System

THE FEDERAL RESERVE SYSTEM has been from its inception the subject of serious study and steadfast support by the Chamber of Commerce of the United States. As the system enters upon the second decade of its corporate existence, under conditions which for the first time during its life are approaching normal, we reaffirm our confidence in its fundamental principles; we give willing recognition of its past service and of its promise for the future; we ask for it better understanding and appreciation.

We commend the recent action of the Federal Reserve Bank for its effective assistance in bringing about the restoration of the gold standard in England. This restoration has removed the danger of price inflation in this country; has increased the international purchasing power, and will undoubtedly benefit our foreign trade.

No. VII.—Taxation

THE CHAMBER has frequently spoken in favor of the reduction of the federal income taxes, urging repeal of the war excise taxes affecting particular businesses, and has advocated the creation of such a body as the Board of Tax Appeals which has already by its expedition and clarity fully justified the expectations of the benefits that would follow.

The Resolutions Committee has had before it a number of proposals for reforms in the Federal Revenue law. The subject is so large and complicated that it would be inexpedient to offer resolutions covering the various phases of the law. Your committee therefore recommends that the Board of Directors appoint a committee to study carefully the whole subject of federal taxation, giving particular attention to the suggested changes which have been submitted to this committee.

No. VIII.—Federal Trade Commission

THE CHAMBER approves the recent action of the Federal Trade Commission in adopting new rules of procedure, which it is expected, will make the work of that body increasingly constructive, effective and helpful to American business.

No. IX.—Governmental Interference With Business

IT IS the established policy of this Government not to interfere with the utmost freedom of action by the individual so long as he does not impinge upon the rights of others. The predominant position of this country in industry today is largely due to this attitude of our Government.

Consistent with this policy, the Government should not permit any of its bureaus to so operate as to harass and annoy business by frivolous and curious inquiry into the private affairs of business men. On the other hand, business men will make no objection to the fullest investigation by the Government of anything which the proper government official may have good reason to suspect is a violation of the law of the land.

The Chamber urges upon its members the heartiest cooperation with all departments of the Federal Government to the end that much useful and valuable information may be availed of and a spirit of mutual helpfulness between the Government and business men may prevail.

No. X.—Speculation in Foodstuffs

THE HARMFUL effect of incessant wide speculative fluctuations in price of grain, upon all interests connected with the production, conversion, distribution and export of our vast cereal crops and upon our foreign commerce generally, is so self-evident as to seem to demand prompt remedial measures by the principal grain exchanges. We commend the efforts of the Department of Agriculture to bring about such voluntary constructive action.

No. XI.—Railroad Rates

THE TRANSPORTATION ACT of 1920 expressly provides for the preservation of our transportation systems in full vigor. Proposed amendatory legislative action creates uncertainty in the public mind, tends to retard business, and thus interferes with the growth and development of our transportation systems. If our transportation systems are to be improved and extended to meet the constantly growing needs of commerce, the regulation of our common carriers must be vested in a properly constituted administrative body. The record of the Interstate Commerce Commission is such as to commend that body as the proper agency through which all laws governing the common carriers should be administered.

No. XII.—Motor Common Carriers

THE CHAMBER recommends that the Congress should amend the Transportation Act so as to embrace motor common carriers engaged in interstate commerce.

No. XIII.—York-Antwerp Rules, 1924

THE CHAMBER of Commerce of the United States approves in principle the work of the International Law Association as embodied in the York-Antwerp Rules 1924 as a great step forward in providing international uniformity in the definition and adjustment of General Average losses. Although it recognizes that the said rules are an improvement over the York-Antwerp Rules 1890, this Chamber is unable to recommend the adoption of the York-Antwerp Rules 1924 without modifications.

The American Branch of the International Chamber of Commerce and the American Branch of the International Law Association are requested to take steps to arrange for an



UNION TRUST BUILDING
MADISON AND DEARBORN STREETS

*For 56 Years a
Thoroughly Satisfactory
Commercial Banking
Home*



FREDERICK H. RAWSON
Chairman of the Board

HARRY A. WHEELER
President

**UNION TRUST
COMPANY**
CHICAGO

RESOURCES MORE THAN \$75,000,000

"Practice Thrift and Give Service"

L. A. Carton

Swift & Company's rigid avoidance of waste is emphasized, in his annual address to the shareholders, by L. A. Carton, treasurer.

The Company's service to the public, extending over two score years, is based on thrift.

Developing new uses for by-products is just one way of helping to make it possible to sell meat products at prices which place them within the reach of everyone.

Swift & Company's annual statement is more than mere figures. The 1925 Year Book tells the story of the company's business year. We shall be glad to send you a copy FREE.

Address:

Swift & Company

Public Relations Department

Union Stock Yards

Chicago, Ill.

137B

international conference to revise the York-Antwerp Rules 1924 so that they may receive universal approval and adoption.

No. XIV.—Coastwise Laws

THE CHAMBER OF COMMERCE of the United States declares its belief in the wisdom of the coastwise navigation laws of the United States.

No. XV.—Forest Highways

THE NATIONAL forests, especially those in the western states, because of their great extent and location, include many of the most important mountain passes; they practically surround and control access to our national parks and interpose large areas of land under federal control between sections of our states held in private ownership. Roads into and across these vast forest areas are required not only to protect the government property in the forest from the constant menace of destruction by fire but also to give access to the national parks; to enable private property to be reached and to complete highways available to inter- and intrastate traffic. It is the duty of the Federal Government to provide these roads.

Congress, therefore, should continue to appropriate needed funds, within the limits of a reasonable national budget, for the improvement of such forest highways, under the supervision of the Secretary of Agriculture.

No. XVI.—Waterways

BY RESOLUTIONS heretofore adopted the Chamber has urged upon the Congress the necessity of developing our waterways and water resources. The Chamber has suggested that a comprehensive survey and report on the subject be made. The last Congress took steps in that direction by adopting a resolution directing the Corps of Engineers and the Power Commission to make certain surveys and submit estimates of costs.

The Chamber commends the action of the Congress in that behalf and expresses the hope that the work delegated by the resolution may be increased and extended by the incoming Congress and a comprehensive general plan embracing all of the water resources of the country be submitted at the earliest possible moment and before any further action is taken by Congress contemplating performance of work on any new projects, not heretofore undertaken, for the improvement or development of rivers, harbors and waterways.

No. XVII.—National Parks

THE POLICY of the Federal Government in establishing and maintaining national parks is now well fixed. This policy should be extended through the establishment of national parks in important areas of the country where they do not now exist and where scenery and other natural conditions afford recreational and educational advantages such as the public has come to expect in all national parks.

No. XVIII.—New Building

THIS convention, the first held in our own building, marks an epoch in our history. The imposing size, the strength, and the manifest fitness of our building symbolize the development of our organization.

We have reached manhood in number of members, in financial resources, in evolution of our staff and organization, but we must recognize that size and power are of little

PATENTS

TRADE MARKS - DESIGNS
FOREIGN PATENTS

MUNN & Co.

PATENT ATTORNEYS

Associated since 1846 with the Scientific American
602 Woolworth Building, New York City
328 Scientific American Bldg., Washington, D.C.
417 Tower Building, Chicago, Ill.
570 Hubert Building, San Francisco, Cal.
225 Van Ness Building, Los Angeles, Cal.
Books and Information on Patents and Trade Marks
by Request.

MANUFACTURING PLANT FOR SALE

LOCATED in a Maine town on two (2) railroads—extensive buildings—boiler plant—good water supply—labor conditions excellent.

Ideal location for manufacturer with growing business. Write for full information.

S. D. WARREN COMPANY

101 Milk St., Boston, Mass. Cumberland Mills, Maine

value unless all the elements of our organization work together smoothly, promptly and loyally. Hence we recommend to the members that at all times they give their fullest participation to the formulation of the Chamber's policies and toward advancing the policies which are established. They will thus maintain and enhance the Chamber's distinction as a truly representative organization.

No. XIX.—Harry A. Wheeler

THE DEDICATION, at this meeting, of the Chamber's new home marks the completion of a project initiated at the Chamber's Seventh Annual Meeting six years ago. Fully recognizing the unselfish services of the many who contributed to this achievement, it is nevertheless but fitting and proper that some special mark of appreciation and gratitude be accorded to Mr. Harry A. Wheeler, to whose vision, patience and unwavering courage the final result is so largely due. It is to him that the Chamber owes the original conception of the building as it now stands. He presented outlines of the plan to the Chamber's membership at the meeting in 1919.

As chairman of the Committee on Financing the Building, he has for six years borne the burden of securing the means to meet its cost. His wise counsel has been always available and readily given at every stage in the design and construction of the building itself. He has given of his time and strength without reserve, maintaining throughout an undaunted spirit and an unswerving adherence to the ideal which the building so beautifully represents.

As the first president of the Chamber, later its president for two trying war years, and continuously since then in the service of American business that it might have a fitting home of its own in the nation's capital, he holds high rank among the truly patriotic leaders in American citizenship. For him, therefore, we now record the gratitude and affection which he has won for himself and which are enduringly his.

No. XX.—Other Resolutions

THE RESOLUTIONS COMMITTEE has received under the rules of this meeting proposals for declaration upon a number of other subjects. Some of these subjects are of obvious importance, as has appeared clearly in hearings which the committee has held. In each instance, however, it has seemed to the committee that for one reason or another of the kind which must always have weight with a representative organization the subject is not ready for final decision as to the Chamber's policy. The committee accordingly recommends that the proposals on the subjects which follow should be referred to the Board of Directors for such further action in the form of investigation and study as the Board may consider is appropriate. In connection with some of these subjects the committee recommends that the meeting should add its suggestions to the Board, as follows:

Cotton, with an expression of the meeting's confidence that the Board will cause inquiries and study by the appropriate departments of the Chamber of every phase of this important subject.

Public Grazing Lands, with an expression of confidence that the Board will give sympathetic consideration to all means for promoting the efficient utilization of grazing lands in public ownership which are of outstanding importance to the great livestock industry of the west.



When You ask for Facts!

—do you have to wait for some one to dig them out of blind boxes or bound books—or do your records tell you what you want to know, when you want to know it. The man who decides, needs information—now. FLEX-SITE gives it to him—at a glance.

Methods Department

Use our trained men to solve your record problems—free. Write your problem to us in detail or send for a questionnaire on the type of record you consider most important and you will receive a plan worked out to fit your business.

Visible Records Equipment Co.
226 West Adams Street
CHICAGO

VISIBLE
On overlapping sheets every name or number is in sight. All facts are available in an instant.

COMPACT
10,000 records on a desk top. Posting and reference is in a natural position.

PORTABLE
Visible Records in a book. Use them at your desk and put them away at night.

ADAPTABLE
Your most important record on FLEX-SITE becomes at once a money-making tool. Facts at your finger tips.

LOW COST
Expensive mechanical accessories have been eliminated on FLEX-SITE. Result—low initial expense and upkeep.

FLEX-SITE
VISIBLE RECORDS

VISIBLE RECORDS EQUIPMENT CO.
226 W. Adams St., Chicago, Ill.
Please send us FLEX-SITE Circular No. 226.

Kind of Record.....

Name.....

Firm.....

Address.....

AN OPEN LETTER

Have You Got a Dollar?

IF SO, maybe you'd have a couple of dollars' worth of fun from it by accepting this suggestion:

Fred Kelly, who runs the justly well-known back-of-the-NATION'S BUSINESS column called "Human Nature in Business," wrote a book.

As you might guess, it's about human beings, meaning you and me. He calls it *The Fun of Knowing Folks*. In it he tells why we dress, what we do when we get married, questions people ask, how some spooks keep on spooking, about liars, about getting acquainted, news you like to read, ways of being interesting, and so on. He doesn't pretend to teach you anything, but he'll give you a dollar's worth of fun.

If you've got the dollar bill send it along with your request for Fred Kelly's book, and it'll come, by mail postpaid.

Sincerely yours,

NATION'S BUSINESS
WASHINGTON, D. C.

EXPERT SERVICE

*in handling the business
of out-of-town
customers*

IRVING-COLUMBIA customers outside of New York City are served by men who are thoroughly familiar with conditions in various parts of the country. Some of them have been bank executives in other cities; some have been representatives in the field.

Concentrated in the Out-of-Town Office, handling only business of out-of-town customers, the service of these specialists is more than a convenience. It is a practical assurance that every out-of-town transaction will be handled with understanding, accuracy and maximum speed.

Through an Advisory Board whose members are representative of important industries of the Nation, the Out-of-Town Office is kept constantly in touch with the requirements of customers in different parts of the country.

And back of the Out-of-Town Office is the entire Irving-Columbia organization, with resources of \$400,000,000 and active financial contacts in practically every important business center of America and of the world.

IRVING BANK-COLUMBIA

TRUST COMPANY

NEW YORK CITY

BIG AMERICAN OPPORTUNITY

A \$5,000,000 European firm is ready to invest its money and share the profits, dollar for dollar, with an American principal, to develop the American sales for its products. A direct branch of the company is now in America selling in thousands of towns and cities. References necessary to disclose important information. All communications held in strictest confidence. L. P. Confidential Broker, 544 Commonwealth Ave., Boston, Mass.

Reprints of Articles

appearing in this magazine may be ordered from NATION'S BUSINESS, Washington. We will give permission, on request, for the reprinting of articles from NATION'S BUSINESS in house organs, or in other organization periodicals.

EXECUTIVE SECRETARY

Many years executive secretarial experience with national manufacturers' trade associations, also advertising and merchandising experience. University education. Desires executive position with national or state industrial organization. Box 28, NATION'S BUSINESS, Washington.

Whisper-It

A *Whisper-It* Mouthpiece makes your telephone conversation private and for the one person only to whom you are talking. Price \$1.00. Live agents wanted.

N. B. COLYTT LABORATORIES
ENGINEERING
565 W. Washington Blvd. Chicago

Reclamation, with a suggestion that the Chamber's interest should be continuous and that available information bearing upon future policy should be brought together.

Resale Prices, with the information that the committee understands the Board has already taken the action which the proposals contemplated.

State Legislation Respecting Margarine, with a suggestion that there should be careful study by the appropriate departments of the Chamber before there is any attempt to define a policy.

Federal Aid for Highways, with the suggestion that there should be consideration by the Transportation Department with special reference to any declarations the Chamber should later make in addition to the policy it has already adopted.

Highways—State Administration and Finance, with a suggestion that in recognition of the accomplishment which has been made by an organization member of the Chamber in participating in the formulation of principles designed to give efficiency and uniformity, the Board requests the Chamber's Transportation Department to bring these principles to the attention of the local organization in the Chamber's membership and requests their sympathetic interest and support in their own states.

Aircraft Lighter than Air, with a suggestion that it be referred to the Transportation and Foreign Commerce Departments for survey of all possibilities.

Aeronautics, with a suggestion that it be referred to the Transportation Department for consideration in connection with the Chamber's policies already established as to aeronautics.

Summer School for Secretaries

THE NATIONAL School for Commercial and Trade Executives will hold its fifth annual session at Northwestern University, Evanston, Ill., July 20 to August 1, inclusive. Instruction is to be provided in commercial and trade organization work, and in specialized activities. In addition to the fundamental and technical courses which must be taken by every student, two specialized activities are required.

With its attractive opportunity to study, the school offers inviting facilities for recreation on the shore of Lake Michigan, including boating, tennis, bathing and golf. The tuition fee is \$30. Dormitory accommodations are available on the campus of Northwestern University.

The courses are offered under the joint auspices of the Chamber of Commerce of the United States, the National Association of Commercial Organization Secretaries, American Trade Association Executives, and Northwestern University.

On the Board of Managers are: President, F. Roger Miller, manager, Asheville Chamber of Commerce; vice-president, R. B. Beach, business manager, Chicago Association of Commerce; secretary-treasurer, John N. Van Der Vries, manager, North Central Division, Chamber of Commerce of the United States; James A. McKibben, secretary, Boston Chamber of Commerce; Elliot H. Goodwin, resident vice-president, Chamber of Commerce of the United States; John Ihlder, manager, Civic Development Department, Chamber of Commerce of the United States; S. C. Mead, secretary, Merchants Association of New York; Walter D. Scott, president, Northwestern University; Ralph Heilman, dean, Northwestern University School of Commerce; George A. Lamb, American Walnut Manufacturers Association, Chicago.

Information on the courses, rooms, and meals is obtainable from the Secretary, Board of Managers, National School for Commercial and Trade Executives, 10 South La Salle Street, Chicago, Ill.

FUNDAMENTAL COURSES

Psychology
 Effective Speaking
 Principles of Economics
 Economic Problems of Agriculture
 Public Finance and Taxation
 Marketing and Distribution
 Effective Writing
 Traffic and Public Utilities
 Handling Matters with Legislative Bodies
 Interpretation of Business Financial Statements
 Research Work and Its Purpose and Fundamentals

COMMERCIAL ORGANIZATION SUBJECTS

Organization
 Program of Work
 Meetings and Committee Management
 Membership
 Finance
 Publicity
 Office Administration
 Commercial Activities
 Industrial Activities
 Civic Activities

ADVANCED COURSES

Organization and Planning of Work
 Effective Committee Operation
 Membership Building and Conservation
 Organization Finances and Business Management
 Organization and Community Publicity
 Principles Underlying Secretarial Efficiency
 Chamber of Commerce Salesmanship
 Meetings of Members—Types, Methods, and Principles Underlying Success

TRADE ORGANIZATION SUBJECTS

Theory and Objectives
 Organization
 Membership
 Publicity
 Committees
 Financing
 Commercial and Industrial Activities
 Direct Service Activities
 Conventions and Meetings
 The Secretary and His Job

ADVANCED COURSES

Cost Accounting
 Advertising and Sales Promotion
 Industrial Research
 Simplification and Standardization

SPECIALIZED ACTIVITIES

Industrial Research and Development
 Management of Chamber Having a Small Staff
 Charities, Solicitations, Community Chests
 Trade Organization Question Box
 Retail Trade Development
 Safety Activities
 Traffic and Other Street and Highway Problems
 How to Deal with Frauds

NATIONAL SCHOOL for COMMERCIAL and TRADE EXECUTIVES

Under the Joint Auspices of

The Chamber of Commerce of the United States
 National Ass'n of Commercial Organization Secretaries
 American Trade Association Executives
 Northwestern University

THE fifth annual session will be held at Northwestern University, Evanston, Illinois, July 20 to August 1, 1925, inclusive.

The Chamber of Commerce of the United States officially recommends that every constituent member urge its secretary to attend the school.

Each student is required to take certain Fundamental and Technical courses and two Specialized Activities (see column at the left).

Attractive dormitory accommodations on the campus, on the shore of Lake Michigan. Also boating, tennis, bathing, golf.

Tuition, \$30.00

For information address Secretary, Board of Managers, National School for Commercial and Trade Executives, 10 South La Salle Street, Chicago, Illinois.

Board of Managers

P. ROGER MILLER
 Manager, Asheville Chamber of Commerce
 President, Board of Managers

R. E. BEACH
 Business Manager, Chicago Association of Commerce
 Vice-President, Board of Managers

JOHN N. VAN DER VRIES
 Manager, No. Central Division, U. S. Chamber of Commerce, Chicago, Ill.
 Secretary, Board of Managers

JAMES A. McKIBBEN
 Secretary, Chamber of Commerce, Boston, Mass.

ELLIOT H. GOODWIN
 Resident Vice-President, United States Chamber of Commerce, Washington, D. C.

JOHN IHLDER
 Manager, Civic Development Department, U. S. Chamber of Commerce, Washington, D. C.

S. C. MEAD
 Secretary, Merchants Association of New York

WALTER D. SCOTT
 President, Northwestern University, Chicago, Ill.

RALPH HEILMAN
 Dean, Northwestern University School of Commerce, Evanston, Ill.

GEORGE N. LAMB
 Secretary, American Walnut Association, Chicago, Ill.

Now—

S.P.A. Certified Guaranteed Lumber

Every Piece *Grade-Marked*, Every Piece *Trade-Marked*
—so the user may know the Southern Pine he buys

Secretary

Herbert Hoover Says:

"There is no reason why conscientious grade-marking of lumber should not be as successful as the grade-marking of other products manufactured on the basis of different qualities. The grade-marking of lumber seems to be particularly important because, unlike any other article, the quality of which can be analyzed, the grading of lumber largely depends on judgment founded upon long experience. It is therefore evident that the consumer often is at a loss to know whether he is actually receiving the quality for which he has paid and which he wants. Without grade-marks on lumber it is easily seen that grades may be mixed unintentionally. The plain indication of grade on each piece of lumber protects consumers as well as distributors."

"Grade-marking will also reduce waste. Correctly grade-marked lumber can be bought and sold without necessitating actual inspection. In other words, if the grade-marking is carried out in a conscientious manner, lumber will be bought and sold unseen, as wheat or any other commodity, the various qualities of which have been definitely determined. This will reduce the cost of distribution and stabilize lumber conditions."

"Through grade-marking practices the public will be educated in the various grades of lumber and in their correct and most economical uses. This will encourage certain consuming industries to increase their purchases of low grade material and thereby extend the uses for these qualities which are now often a drag on the market."

Lumber Users Endorse Grade-Marking

The grade-marking principle has been endorsed by practically all of the larger organizations interested in the manufacture and use of lumber. Among them:

National Lumber Manufacturers Association
National-American Wholesale Lumber Association
National Retail Lumber Dealers Association
American Institute of Architects
American Railway Engineering Association
American Railway Bridge and Building Association
The Association of General Contractors of America
National Association of Builders Exchanges
Association of Wood Using Industries
Automobile Body Builders Association
National Association of Wood Turners (Inc.)

HERE is the biggest piece of news that ever came out of the business of manufacturing and selling lumber!

Manufacturers of Southern Pine Lumber, who are subscribers to the Southern Pine Association, are now plainly stamping upon the end of every piece of lumber and stick of timber they produce:

- 1—The grade of the lumber as fixed by the expert grader at the mill.
- 2—A number by which the user can identify the name of the manufacturer who made that particular piece of lumber.
- 3—The initials of the Southern Pine Association whose authoritative inspection service maintains the integrity of the grades.

These are facts that lumber buyers for years have wanted to know but never before had the opportunity. It means that it is now possible to buy *certified Southern Pine lumber of guaranteed grades*. It means the buyer will get exactly the grade he asks for and the grade he pays for. It means protection to the manufacturer who puts his best skill into his

product because his identity stays with that lumber through to the ultimate consumer. It means protection to the retail lumber dealer who may have suffered from the unfair tactics of those who "juggle" lumber grades.

Lumber users—look for the S. P. A. marks on the Southern Pine you buy and be assured of getting the grade you want.

Ask Your Retail Lumber Dealer

Southern Pine Association
NEW ORLEANS, LOUISIANA

*The Mark of
the Expert
Grader on
Every Piece*

S. P. A.
CERTIFIED
GUARANTEED LUMBER

7

A number in the circle designates the lumber manufacturing plant where this particular piece of lumber was made. It is equivalent to the individual trade-mark of that manufacturer and puts upon him the responsibility of standing squarely behind every branded board he produces.

SPA

These initials—S P A—show that this lumber was produced under the standard grading rules and authoritative inspection service of the Southern Pine Association which conform to the recently adopted American Lumber Standards. They also mean that this manufacturer is a subscriber to the Southern Pine Association, a fact in itself accepted for years as a recommendation of uniform grading.

B & BTR

This mark is the grade. Your retail lumber dealer or your architect or contractor will explain to you the grade-marks and what they mean as applied to your lumber requirements.

USE
THIS
COUPON

Southern Pine
Association, New
Orleans, La. Dept. 143

Gentlemen:—Please send me a copy of your pamphlet: "How the Southern Pine Association has Taken the Mystery Out of Lumber Buying."

Name _____

Street _____

Place _____

From the furnace the white-hot copper bar is put through a series of rollers. These squeeze it out, thin and long. Then, as heavy wire, it is run through dies and drawn down even to the fineness of a thread.



A metal tongue millions of miles long

BREATHING FIRE, this modern dragon extends a white-hot tongue—out, out, far and wide, over mountains and plains, till finally it crosses and recrosses the continent.

In the fiery mouth of this great furnace in the wire drawing mill at the Western Electric Works in Chicago starts the conversion of copper bars to wire used in electrical communication.

Here are operatives displaying astonishing skill and dexterity in handling difficult operations. Here are new methods and new equipment contributing new standards in the manufacture of wire.

This too is a contribution to your service. For every material used in making telephones, cable and switchboards, Western Electric is constantly planning ahead to assure an unfailing supply for an unfailing telephone service.



Western Electric

SINCE 1869 MAKERS OF ELECTRICAL EQUIPMENT

When writing to WESTERN ELECTRIC COMPANY please mention Nation's Business

Two Autocar books that cover the whole field of truck transportation

The Merchandise Hauling Book

A 104-page book containing—

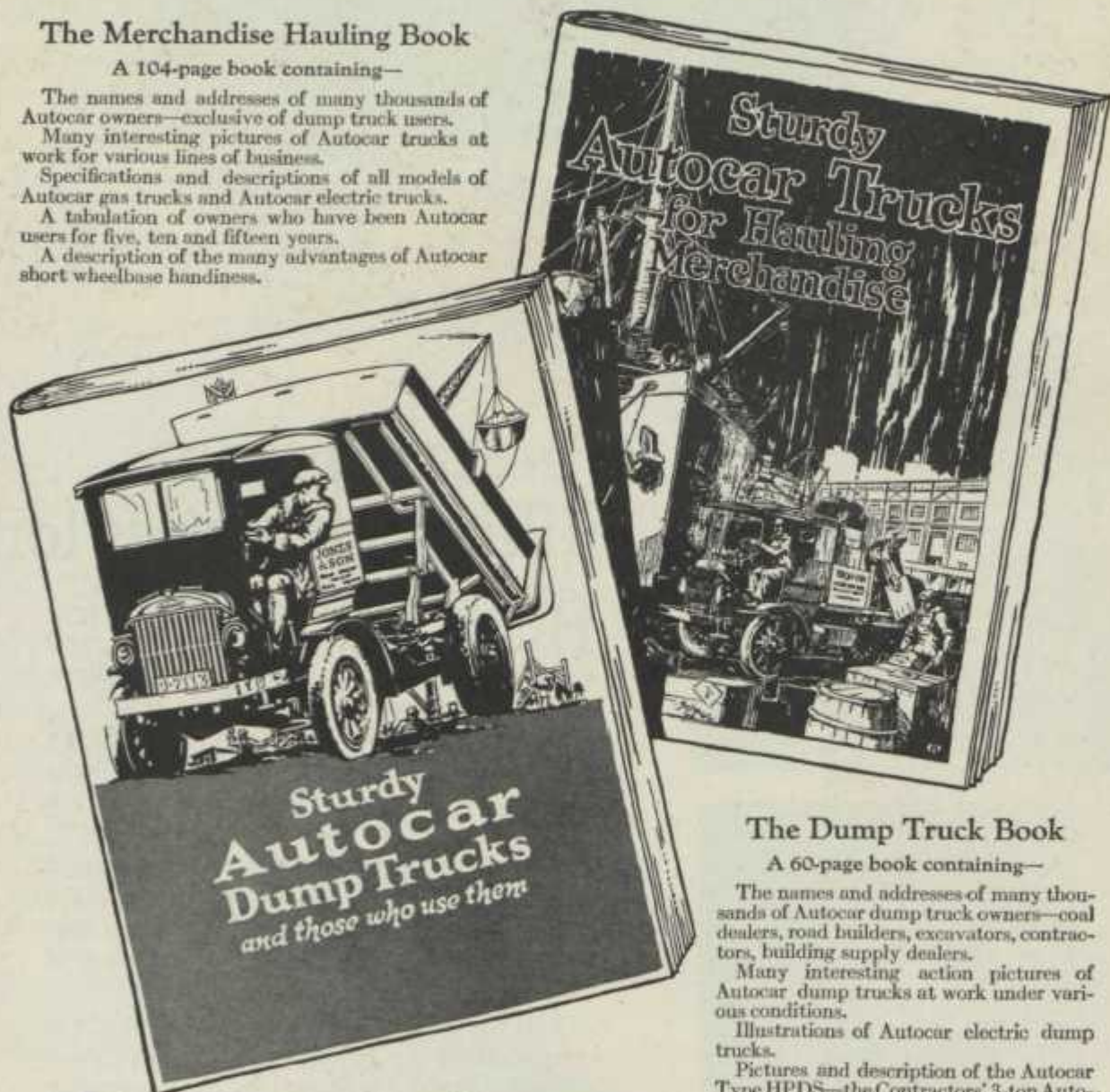
The names and addresses of many thousands of Autocar owners—exclusive of dump truck users.

Many interesting pictures of Autocar trucks at work for various lines of business.

Specifications and descriptions of all models of Autocar gas trucks and Autocar electric trucks.

A tabulation of owners who have been Autocar users for five, ten and fifteen years.

A description of the many advantages of Autocar short wheelbase handiness.



Every user of motor trucks will be interested in these books. A post card will bring you the one you want.

The Dump Truck Book

A 60-page book containing—

The names and addresses of many thousands of Autocar dump truck owners—coal dealers, road builders, excavators, contractors, building supply dealers.

Many interesting action pictures of Autocar dump trucks at work under various conditions.

Illustrations of Autocar electric dump trucks.

Pictures and description of the Autocar Type HPDS—the Contractors' 3-ton Autocar Dump Truck—made especially to withstand the hard grind of contracting work.

The Autocar Company

ESTABLISHED 1897

Ardmore, Pa.

Branches in 49 cities

Autocar

gas and electric trucks

EITHER OR BOTH - AS YOUR WORK REQUIRES